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# How does board composition in medium sized family firms influence succession ?

Soumaya El Hayek

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Soumaya El Hayek. How does board composition in medium sized family firms influence succession ?. Business administration. Université Grenoble Alpes [2020-..], 2021. English. NNT : 2021GRALG010 . tel-03626777

**HAL Id: tel-03626777**

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## THÈSE

Pour obtenir le grade de

### DOCTEUR DE L'UNIVERSITÉ GRENOBLE ALPES

Spécialité : Sciences de Gestion

Arrêté ministériel : 25 mai 2016

Présentée par

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Thèse dirigée par **Bérangère DESCHAMPS**, Université Grenoble Alpes

préparée au sein du **Laboratoire Centre d'Etudes et de Recherches appliquées à la gestion**  
dans l'**École Doctorale Sciences de gestion**

### **Comment la composition du conseil d'administration des ETI familiales influence-t-elle la succession?**

### **How does Board composition in medium sized Family Firms influence succession?**

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## **Affidavit**

I, undersigned, Soumaya EL HAYEK, hereby declare that the work presented in this manuscript is my own work, carried out under the scientific direction of Bérangère Deschamps, in accordance with the principles of honesty, integrity and responsibility inherent to the research mission. The research work and the writing of this manuscript have been carried out in compliance with both the French national charter for Research Integrity and the Grenoble Alpes University charter on the fight against plagiarism.

This work has not been submitted previously either in this country or in another country in the same or in a similar version to any other examination body.

Strasbourg, the 15th of October 2021

# Acknowledgements

There are many people I would like to thank for supporting me during the writing of my thesis. I would like to start by thanking Jesus Christ for giving me the strength during the preparation of my thesis. He took care of me every day so that, despite the difficulties I was facing, I could reach the final goal which is the finalisation of my dissertation and being able to defend it. Jesus Christ, I have counted on your strength and power, thereby confidence rises in me. Challenges and stressful situations have tried to bring me down and change my project, however I take courage because I have relied on the fact that since you are with me, nothing and nobody can ever block my way, stand against me and prevail. Thank you for nurturing my strength and motivation.

I would not even have been able to apply for the PhD programme if Bérangère DESCHAMPS, my PHD supervisor, was not interested in my research project. Thank you for encouraging me to pursue this research, and for always being available for discussions, being engaged and concerned, sharing knowledge and for always challenging me. Going through the PhD programme has been a great experience from which I've learned a lot, and I am very grateful for your encouragement from the first time we spoke about my doctoral project until today. Additional thanks to you for your thoughtful guidance and feedback, you were also very supportive, reading manuscripts and giving advice. I hope that our collaboration will last even after the PHD.

At the different stages of writing the articles included in my doctoral dissertation, several people provided valuable comments that helped me advance in the process and improve my work: thank you Céline Barrédy, Miruna Radu-Lefèvre for encouraging me in my first article related to emotions in family business succession and for having introduced me to family firms, thank you Didier Chabaud for your support in my submission to the first conference I have attended, thank you Jean-Pierre Boissin for having introduced me to Bérangère Deschamps. Thank you to all the members of the jury. Thank you for agreeing to be part of my thesis jury. Thank you Torsten Pieper and all the anonymous reviewers for your valuable advice. Thank you Viviane Neiter for introducing me to Family Firms.

A special thank you to the Université Grenoble Alpes, to the doctoral school EDSG, to the CERAG laboratory and to the members of the ICO Group. I have been warmly welcomed since my arrival. I have been so touched by your help, your interest in my work, your kindness. Thank you Véronique Blum for having introduced me to the Université Grenoble Alpes. Marie- Laure Gavard-Perret, thank you for your time and advice concerning epistemology. Thank you Karine Dominguez-Péri and Guy Parmentier you were very supportive during my PhD. Thank you Florence, Claire, Coralie, Laura.

I also want to direct a big thank you to my PhD student colleagues – without you, this journey would have been tasteless. A special thank you to Nelly Elias and Nihel Jabri.

Thank you Liz Moulin for encouraging me during the seminar and the presentation of my doctoral project in English.

Thank you Radu Burlacu for your words when you were giving me the price of the best presentation.

I would also like to thank Tate and Clayburn for the language editing of my articles and the ICO Group for financing the copy editing.

Much of this dissertation would have been impossible without the respondents at the case firms. You shared not only information about your firms, their boards, and governance, but also various thoughts about your families and yourselves. Your time and all the information you gave me were valuable for my research. I often think back to those interviews and refer to your trajectories, history and challenges. Thank you!

To my mother, thank you for your prayers.

To Clara and Clovis thank you for encouraging me and believing that I will succeed. A special thank you to Clara, for reading my work, for handling the tables and figures in my papers and in my final dissertation.

The PhD programme and all the people I met during it helped me develop additional skills, preparing me to take on this new challenge: being a researcher. I am very grateful for the opportunity to pursue the PhD, and I would not be who I am today without it.

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## Summary of the dissertation

The composition of the board of directors plays a fundamental role in determining strategic decision-making in Family Firms (FF). The study of board's composition in Family Firms has generated considerable scholarly attention. In the literature, board composition in FFs has been considered in terms of the proportion of family directors and outside directors and whether or not the family directors work in the firm. This dissertation goes beyond this distinction and focuses on the human beings that make up the governance of the FF. Its purpose is to delve into the secrets of these human beings. They are going to make choices, interact within the governance body of the FF and take care of leadership succession in order to attain FF continuity. Hence, our main research question is the following : 'How the composition of the board of medium sized FF influences the succession?'

We answered this question through four papers, and one chapter included in a handbook of research on Business Transfers. They are presented in the following in order to understand the common thread of the dissertation.

We have started by demonstrating 'How does demographic and cognitive diversity affect directors' behaviour and how it influences their roles in the boardroom. Diverse directors are expected to differently exert their monitoring and advisory roles which include succession planning so that the degree of differentiation of the members of board affects the governance of firms. We conceive Board of Directors in FF as a behaviour influenced by demographic (age, gender and nationality) and cognitive (level of education, professional and personal experiences) diversity and able to affect Board's roles. The upper echelons theory has been used to point out directors as providers of peculiar resources to the firms, such as their personal experience and judgment, external connections and access to information. As to their functions in the boardroom, our findings suggest that the directors play three roles: the advisory role as well as two other roles: Prioritise the values of the FF and provide a balance to the FF. **(article 1).**

This has lead us to examine 'how directors' past experiences influence the choice of the successor in FF' given the fact that directors' experiences, knowledge, and values shape their choices. We argue that the theoretical lens of mental time travel is relevant to study and explain directors choices because they use their previous experiences to build new options and develop new choices. We demonstrate that their past experiences shape the individual's (director) perception of the successor and lead to the choice of this successor. We show that the past experiences of the directors in the boards of FF bring to settle three criteria that the successor should meet : 1- Preserve the values of the FF, ensuring continuity and succession of the FF, 2- having professional experience and expertise before entering the FF and 3- a strong ability to mobilise, to make the FF evolve and to lead the firm. **(article 2).**

Moreover, in line with the link between the composition of the board of directors and succession, we examine 'How women's goals influence succession in FF'. The analysis of the existing literature highlights a lack of studies on the reciprocal link between family business non-financial goals and women's involvement in family firms. Drawing on SEW theory, which is relevant to explaining non-financially motivated goals of women on FF boards, we argue that the main goal of these women is the renewal of family bonds through dynastic succession. In fact, our study contributes to

the existing literature on this topic by considering the relationship between women directors on FF boards and non-financial variables. Yet, we propose that a new tool be created to identify the influence of women in FFs' boards on SEW. We suggest a multidimensional scale, similar to the FIBER scale, which will measure the impact on SEW of the presence of female boards members and particularly in the succession process. **(article 3).**

Furthermore, we examine 'How emotions allow us to better understand succession in FF'. Academic research has done little empirical examination of emotions in the context of succession, particularly those felt by the predecessor when choosing a successor. By examining two cases of succession, this article seeks to shed some light on the emotions felt by the incumbent at the time of this important decision. We highlight the emotions felt and show how they influence the behaviour and decisions of the incumbent. Finally, we emphasise the importance of supporting family incumbents during the succession process, to enable them to better manage their emotions so that they do not become an obstacle to action. **(article 4).**

Finally, we argue that family business succession is an emotion-influenced process and demonstrate 'How emotions influence the reasoning of incumbents when preparing for succession planning and choosing a successor'. We present the notion of viewing succession through emotions. This insight opens up an additional understanding of family business succession. Emotions have not been studied extensively in family business succession literature, even though human behaviour depends on the emotional experience. Hence, emotions affect organisational processes, decisions and outcomes (Shepherd, 2016). The ability to take into account the feelings, decisions and behaviour of many actors at once creates potential for a step forward in the study of family business succession. We observed that these emotions greatly influence the reasoning of the incumbents when choosing their successor **(Chapter).**

Regarding the methodology, qualitative methods are more suitable for the human diversity in the FF and the complexity that characterises FF. Under the umbrella of qualitative methods, we explain that the case study method is more apt to capture the specific complexity and dynamics unique to family businesses. However, this thesis adopts different approaches since they were determined by the research question of each article.

In seeking potential cases, four criteria were required: 1- the size of the FF: we chose medium-sized FF, 2- The existence of a board: we wanted to find FF having a legal structure with a Board of Directors, 3- Diversity of directors: we were looking for demographic diverse directors (Age, gender, nationality) and cognitive diverse directors (level of studies, professional and personal experiences) in the boardroom of FF. 4 - Succession process: the FF was preparing for, or thinking about the succession process and/or trying to choose a successor. Our sample of 10 FF is drawn from two countries: France and Switzerland.

Hence, this dissertation provides input into the academic discussion on corporate governance and FFs, an area which needs research. It finds theoretical and managerial applications for Management Sciences and particularly for the field of FFs. We believe that our research could have practical implications for the appointment of directors to the boards of family-owned businesses. As to the link between directors' diversity and the succession in FF, our contribution is twofold: first, past experiences of diverse directors in the boards of FF lead to settle three criteria when choosing a successor. Second, women's involvement plays a crucial role in the succession process. In terms of theoretical implications, we suggested a more fine-grained measurement with regard to gender diversity and its influence on SEW. Thus, we propose the existence of a short form of the FIBER

scale, which we call the BER scale. We address the need for validation of this scale. Furthermore, our research has aimed to shed new light on succession and its preparation by examining the emotions of the incumbent during this choice. Finally, we contribute to the discussion about the relevance of interdisciplinary approaches by focusing on the suitability of the field of neuroscience and in particular mental time travel to understand directors decisions.

Our research findings allow us to identify some limitations emerging from our study. The case study method hinders the generalisation of results. This weakness in relation to generalisation can, however, be compensated for by the complementary use of quantitative research methods. We didn't find any director in the FFs board with a foreign nationality. Thus, the outcomes of this variable could't be observed. Hence, a broader sample of FF could include directors of various nationalities which will enhance the study of directors diversity. The FFs in our sample were French and Swiss businesses. The cultural aspects of these countries could limit the transferability of our findings to other countries and different cultural settings. Therefore, it will be relevant for future research to compare the results with other countries. Finally, emotional intelligence within the board of directors of FF deserves to be deepened.

**Keywords:**

Family Firms, Board of Directors, diversity, Behaviour, Upper echelons theory, Governance, Succession, Past experiences, Mental time travel theory, Emotions, Goals, Socio-emotional wealth.

*'Just as the value of life is not on its surface but in its depth, things seen are not in their bark but in their core, and men are not in their face but in their heart.'*  
Khalil Gibran

## Introduction

Leonardo da Vinci wrote, 'To develop a complete mind: Study the science of art; study the art of science. Learn how to see. Realize that everything connects to everything else' (Da Vinci, 1505, p.167). The Italian Renaissance polymath was able to see in the 16th century the existence of interconnectedness of people and things in this world. In family firms (FF), the family and the business are interrelated (Basco and Perez Rodriguez, 2009; Harrington and Strike, 2018). By their unique nature, these businesses are often split between the economic dimension, dominated by a market logic (Aparicio, Basco, Iturralde and Maseda, 2017), and the family dimension, dominated by emotions and individual interactions (Miller and Le Breton-Miller, 2021). Moreover, the brilliance of Leonardo da Vinci's quote is trying to assemble two separated parts: *'To develop a complete mind: Study the art of science; study the science of art.'* He advises to take two contrasts and put them together in order to create a complete vision of the whole. When we step back and try to see the 'bigger overview', we realise that family firms are made of duality: the Family and the Business, and 'are subject to contradictions and dissensions at individual, interpersonal and organisational levels' (Randerson and Radu-Lefebvre, 2021 p.159).

### Main research question

FF are the dominant form of business organisation in the world (De Massis et al. 2018). Hence, according to the statistics, FF compose the majority of businesses worldwide whether they are large, small or medium-sized enterprises (Family Firm Institute, 2018). They play a crucial role in the social and economic landscape in the country where they are located in areas such as employment, production and wealth creation (Family Firm Institute, 2018; Howorth and Robinson 2020). Recent studies confirm their importance in relation to the local and international business dynamics (Basco, Stough, and Suwala 2021; Leppäaho and Jack 2021).

This specific type of firm has been defined in prior literature (Litz, 1995). In order to explain the characteristics of the FF, we have adopted the elements determined by previous studies and defined FF as those that are owned and managed by a family (De Massis, Chirico, Kotlar, and Naldi, 2014; Kotlar and De Massis, 2013). Sestu and Majocchi, (2020) consider a firm to be family controlled when the ultimate owner is an individual or a family, and when at least one member of the family is an executive member, that is the CEO, honorary chairman, chairman, or vice-chairman or the director of the firm.

Thus, FFs differ from non-family firms by the involvement of the family in ownership and/or management (Randerson and Radu-Lefebvre, 2021). In these firms, the family is involved in the determination and the fulfilment of the goals and the decision-making in the business (Le Breton-

Miller and Miller, 2008). The family is concerned as well by the succession within the family (Umans et al., 2020) and the achievement of financial and non-financial goals, the latter grounded on the concept of socioemotional wealth (Berrone et al., 2010).

The characteristics of FFs lead to particular conditions for their governance mechanisms in order to facilitate an effective fulfilment of financial and non-financial goals (Randerson and Radu-Lefebvre, 2021). They need governance systems that take into account ‘the extent and nature of family and business overlap at a time’ (Nordqvist, Sharma, and Chirico 2014, p.195). Indeed, corporate governance systems in family firms are strongly influenced by the specific relationship between the family and the business system (Sacristan-Navarro and Gómez Ansón, 2009; Barrédy, 2020). This relation may lead to different board configurations: according to the literature, board of directors in FF are composed of insiders and/or outsiders. Insiders are firm employees, and/or family members. Outsiders are affiliates or independent directors (Voordeckers, Van Gils, and Van den Heuvel, 2007; Basco and Voordeckers, 2015, Samara, Jamali, Sierra, and Parada, 2018). They exert a different set of board roles that are more family-related such as conflict resolution and succession preparation (Ng and Roberts, 2007; Bammens et al., 2008; Basco et al., 2015).

Therefore, the board of directors’ roles and composition in FF have attracted increasing attention amongst scholars (Basco et al., 2015; Lohe and Calabrò, 2017; Briano-Turrent, Fassler, and Puente-Esparza, 2020). It is the FF’s central governance body (Nordqvist et al., 2014) and the internal governing mechanism that shapes firm governance and establishes the link with the other elements in the corporate governance triangle: managers and shareholders (owners) (Desender, 2009). The board of directors has been defined by Chrisman, Chua, Le Breton-Miller, Miller, and Steier (2018, p. 172) as ‘setting the organisation’s strategic direction’ in addition to striking a dynamic equilibrium between the interests of the firm’s dominant coalition and those of the other stakeholders who provide essential resources to the firm’. Thus, the management of the FF is governed by a compromise between the values, norms and objectives of three systems: the family, the business and the shareholders (Basco and Perez Rodriguez, 2009).

Moreover, a FF has been defined by highlighting the importance of the family when making decisions about the firm. Thus, the goal orientation and particularly the non-financial goals are to be taken into consideration when defining corporate governance in the FF (Cabrera-Suárez, Déniz-Déniz and Martín-Santana, 2014), because they have their own socio-emotional endowment, which represents ‘the stock of values related to the affect a family derives from its dominant position in a given enterprise’ (Berrone et al., 2012, p. 271). This socio-emotional endowment is essential to understanding the decisions and actions of family members, as well as family businesses decisions and acting to preserve this endowment (Gómez-Mejía et al., 2007 ; Cruz et al., 2010 ). In other words, corporate governance in FF is about identifying the goals of the FF in conformity with the family members, and other stakeholders and particularly the renewal of family bonds through dynastic succession. In addition, this definition should be completed by the use of the available resources which exist in the governance body, in order to achieve these goals (Chrisman et al., 2018).

For some authors (Gersick, Davis, McCollom, Hampton and Landsberg, 1997; Landsberg, 1999), good governance of the FF must combine both good governance of the business and good governance of the family. Consideration of the family in governance is important because family members may have multiple roles in the family business, and family ties are likely to affect exchange relationships between owners and the business. For these authors, three subsystems

coexist in the family business. These are the family, the business and the ownership of the business (shareholders). Each of these subsystems has its own values and objectives.

Hirigoyen (2009) proposes to modify the three-circle scheme of Gersick et al. (1997), which assumes a homogeneous and monolithic behaviour of the actors involved in the family business. He suggests adding a fourth circle, 'individual', which explicitly takes into account the preferences of individuals and their evolution over time. According to him, the introduction of the individual circle in the Gersick et al. model provides an answer to this fundamental dilemma of the family business: to create a balance between the needs and interests of individuals on the one hand, and those of the family community on the other.

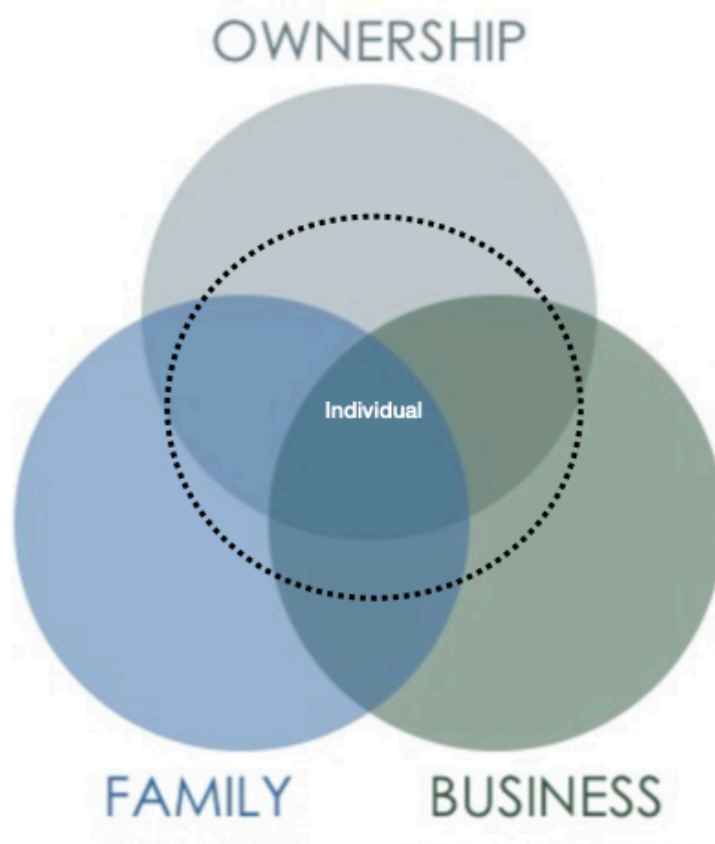


Figure 1: The four-circle scheme (source: Hirigoyen, 2009)

We suggest to modify the boundaries of the fourth circle suggested by Hirigoyen (2009). This author posit the fourth circle close to the intersection of the three circles while we propose to extend the boundaries of this additional circle of Hirigoyen (2009) to encompass entirely the three other circles and embrace the whole FF.

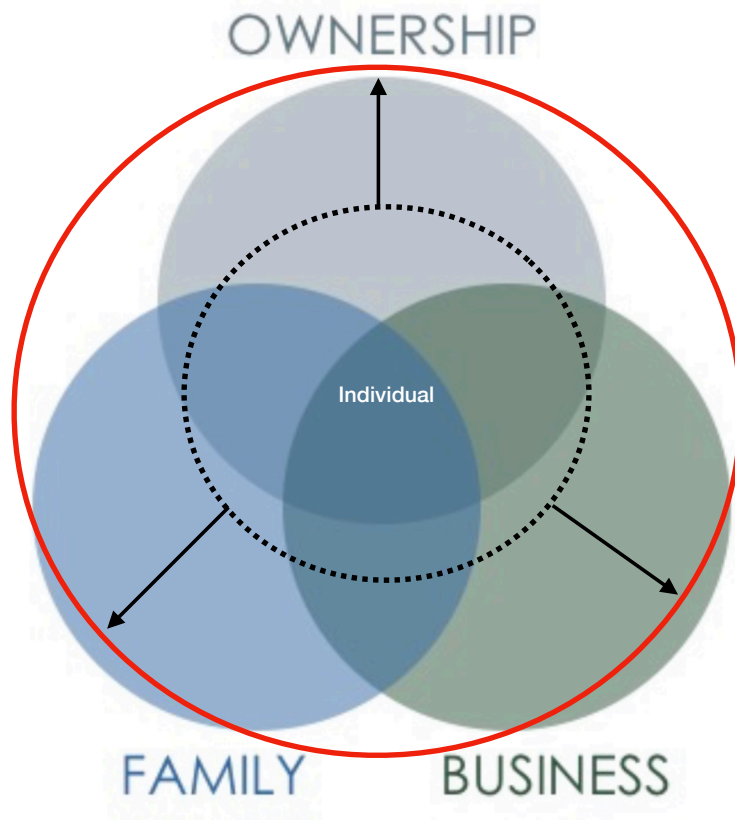


Figure 1b: The extension of the boundaries of the fourth circle of Hirigoyen (2009).

Thus, the purpose of this dissertation is to delve into the secrets of the human being that makes up the governance of the family business. These persons are going to make choices and interact within the governance body of the FF. Our projected contribution is to show the importance of humans and their characteristics in the centre of the FF.

Moreover, an intriguing but still unresolved question in the debate is how boards of directors affect firm's outcomes. A stream of research, the demographic approach, has studied board composition and its impact on firm performance. This tradition of research on boards of directors relates board demographic measures directly to firm's performance (Dalton et al., 1998, 1999). Gabrielson (2007, p. 517-518) explained: 'The main underlying assumption in this stream of research is that the beliefs and behaviours of decision-making groups can be successfully inferred from their demographic characteristics (Finkelstein and Hambrick, 1996; Hambrick and Mason, 1984; Pfeffer, 1983)'. However, the demographic approach has been criticised 'by arguing that directly linking board demographic variables to firm performance neglects the importance of group-level processes and the boards' ability to perform board tasks effectively' (Basco et al., 2015, p. 2). A second research stream, the behavioural approach (Gabrielsson and Huse, 2004; Gabrielsson, 2007) considers boards as workgroups. The variables used by this stream of research could better predict board behaviours than the demographic variables (Gabrielsson, 2007a; Machold, Huse, Minichilli,

and Nordqvist, 2011). It emphasises the fulfilment of board tasks ( Machold et al., 2011), instead of the relationships between demographic variables, and performance effects (Gabrielsson, 2007). Thus, research has demonstrated that the link between board demographics, such as the percentage of outside directors, and board behaviour, such as the performance of board functions (Basco et al., 2015). Both are “loosely coupled” (Voordeckers, Van Gils, Gabrielsson, Politis, and Huse, 2014, p. 211). Instead, directors’ knowledge affect the fulfilment of the board’s functions (Voordeckers et al., 2014). In other words, there is not direct relationship between board’s demographic characteristics and the fulfilment of board functions as pretended in the demographic approach to board studies. Instead, board’s behaviour, not its demographic characteristics, influence the effectiveness with which directors perform their tasks (Forbes and Milliken, 1999; Gabrielsson and Winlund, 2000).

Thus, the objective of this dissertation is not limited to the demographic approach nor to the behavioural approach. Our research focuses on the individuals, human beings modulated and constructed by their diversities, their family system and inserted into their environment (Minialai, 2016). These aspects constitute their personal identity. They ‘include (but are not limited to) traits, abilities, bodily self-perception, other perceived unique personal characteristics, and personality’ (Hitlin, 2003, p.122). We posit in our dissertation that these characteristics influence their behaviour, their choices and their goals. Indeed, when defining diversity, Harrison and Klein (2007) have suggested that it ‘is not one thing but three things. Diversity within an organisational unit may be indicative of *separation*, *variety*, and, finally, *disparity*’ (p. 1200). Applying Harrison and Klein’s definition (2007) to our dissertation, diversity is variety. In fact, variety has been explained by Harrison and Klein (2007) as ‘differences in kind or category, primarily of information, knowledge, or experience among unit members’ (p.1200). It includes individuals and groups from a broad spectrum of demographic and cognitive differences (Williamson, 2018). This is congruent with our research which aims to integrate diversity and offer a more comprehensive picture of the functioning of individuals with two axes of diversity: the demographic (age, gender and nationality) and the cognitive (level of education, professional and personal experiences) diversity.

We consider that the need for a better and more complex understanding of human diversity remains primordial because we argue that it offers some insights into explaining behaviour, motivations and actions. Human diversity is a key pillar of the FFs strategy to retain talents and manage human engagement and firm performance. In order to achieve this goal, it is relevant to integrate, rather than separate, axes of diversity and offer a more comprehensive picture of the functioning of individuals. Gabaldon, Kanadli and Bankewitz, (2018) have explained that board diversity ‘would enrich the pool of relevant information and increase the number of different perspectives which would enhance the comprehensiveness of strategic decision-making processes. In turn, this would lead to the generation of decision outcomes with better quality as well as creativity.’ (p.937). Thus, the diversity of directors in FF boards matters. It generates several outcomes.

Furthermore, one of the legal duties of the board of directors is to take care of leadership succession in order to attain FF continuity (Umans et al. 2020). Indeed, the issue of succession in the family business has been the subject of an abundant academic literature (Daspit et al. 2016; De Massis, Chua, and Chrisman 2008; Steier, Chrisman, and Chua 2015). This is undoubtedly due to the fact that succession is one of the major worries of the family owners in FF (Ahrens et al. 2019; Calabrò et al. 2018; Campopiano, Calabrò, and Basco 2020, Yezza, Chabaud, and Calabrò, 2021). In fact, Fan, Wong, and Zhang (2012) consider that succession occurs when a family member is appointed as chairman and the founder transfers control to the successor. However, our research work will



approach this subject from a new angle, since it proposes to study the composition of the board of directors in family middle-sized companies by emphasising the characteristics and the behaviour of each director, each board's member who would guide the choice of the successor. Therefore, the diversity of directors may affect the roles of the board, which includes leading the facilitation of succession support systems (Arteaga and Menéndez-Requejo 2017; Songini et al. 2013). Thus, a board of directors may choose successors, manage expectations of family members and successfully manage the leadership transition process (Umans et al., 2020).

Hence, we investigate how the composition of the board of medium sized FF influences the succession and particularly the choice of a successor. Our main research question is the following : 'How does the composition of the board of medium sized FF influence the succession?'

The ability to take into account the feelings, characteristics, and behaviour of many actors at once creates potential for a significant breakthrough in the study of family business succession. This research question is important for several reasons : The board of directors serves important functions in the FF and particularly the succession. They lead this process from its preparation in the mind of the incumbent to the installation of the successor at the head of the FF. Its composition allows us to understand the human beings who are part of this governance body through their diversity. These persons are going to contribute to the sustainability of the FF. Hence, it is relevant to appoint the right directors, choose them, prepare them and integrate them in order to have the desired outcomes.

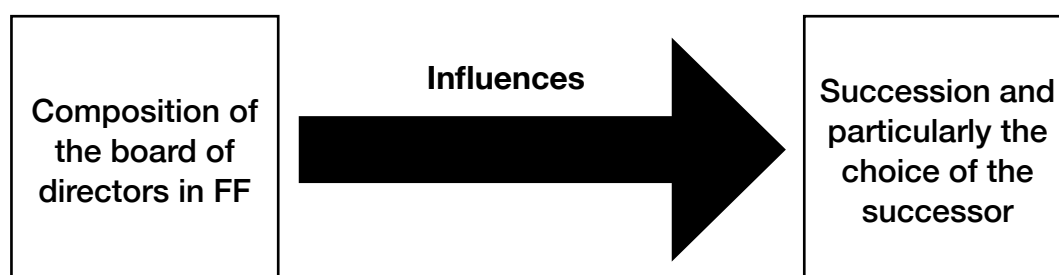


Figure 2: Main research question

### **Secondary research questions and methodology**

After, presenting the general frame of our dissertation, our secondary research questions need to be detailed and explained in order to understand the common thread of the dissertation.

We have seen earlier that FF are generally more complex in terms of governance than their equivalents. The family aspect is what differentiates family businesses from their non family counterparts (Aldamiz-Echevarr  et al., 2017). The addition of family emotions and issues to the business increases the complexity of the challenges these businesses face (Umans et al. 2020).

Therefore, the family plays a crucial role in the governance of its business. Yet, a good system of governance is of crucial importance for the Family Business. Its purpose is to ensure that the company has a well-thought-out and articulated direction - a clear vision of its objectives, mission and values (Chrisman et al. 2018). The FF must have a governance system that allows it to evolve, innovate and respond to its markets while maintaining family influence, without direct interaction from family members (Nordqvist et al. 2014). Indeed, the board of directors must be made up of members who meet the company's needs (Arzubiaga et al. 2018). Therefore, the composition of the Board of Directors is relevant for the FF.

Consequently, when choosing their directors, family businesses should look for individuals who will add value to the business and provide the necessary skills in the areas of strategy and/or management and operations supervision (Arzubiaga et al., 2018). A successful selection of directors emphasises their potential contribution to the business rather than whether they are family or non-family members (Gonzales-Bustos et al, 2020). In reality, however, family businesses tend to have boards that are almost entirely made up of family members (Parada et al., 2020) which can lead to a lack of skills and expertise on the board. Thus, it is necessary to question the human dimension within family businesses and to look at the individuals who make them up, their characteristics and their position within the economic unit and within the family. This overlapping between family and business therefore means that the "human" dimension is ubiquitous. With this in mind, we aim to dig deeper in the experiences of each director in FFs boards, in order to understand 'how individual-level factors impact organisations; and to understand the processes that aggregate individual actions into resultant firm behaviour outcomes' (De Massis et al., 2018 p. 387). Therefore, it is relevant to have more information about the human beings who composed this board whether they are members of the owner-family or not. Indeed, the analysis of human beings constructed by their diversity, their family system and inserted into the governance system is pertinent. In addition, their behaviour when handing over the business and choosing a successor is worth being explored. Moreover, the involvement of diverse directors in the boardroom could go beyond financial goals and affect socio-emotional wealth (SEW). Socioemotional wealth is defined 'as the stock of affect-related value a family derives from its ownership and control position in a particular firm' (Vandemaele and Vancauteran, 2015, p.168). Hence, these non-financial objectives play an important role in understanding decision-making and behaviour in family firms. Finally, we posit in the dissertation that the human characteristics of the management team affect the choice of the successor throughout the long and perilous succession process.

This lead us to present the contents of the articles included in this dissertation and how each of them contributes to our main research question.

Diverse directors are expected to differently exert their monitoring and advisory roles which include succession planning so that the degree of differentiation of the members of board affects the Governance of firms (Fernández-Temprano et al.2020). We conceive Board of Directors in Family Firms as a behaviour influenced by demographic (age, gender and nationality) and cognitive (level of education, professional and personal experiences) diversity and able to affect Board's roles. The upper echelons theory (Hambrick and Mason, 1984) has been used to point out directors as providers of peculiar resources to the firms, such as their personal experience and judgment, external connections and access to information. We argue that there is a relationship between the diversity (demographic and cognitive) of the directors, their behaviour and their governance roles. **(Article 1).**

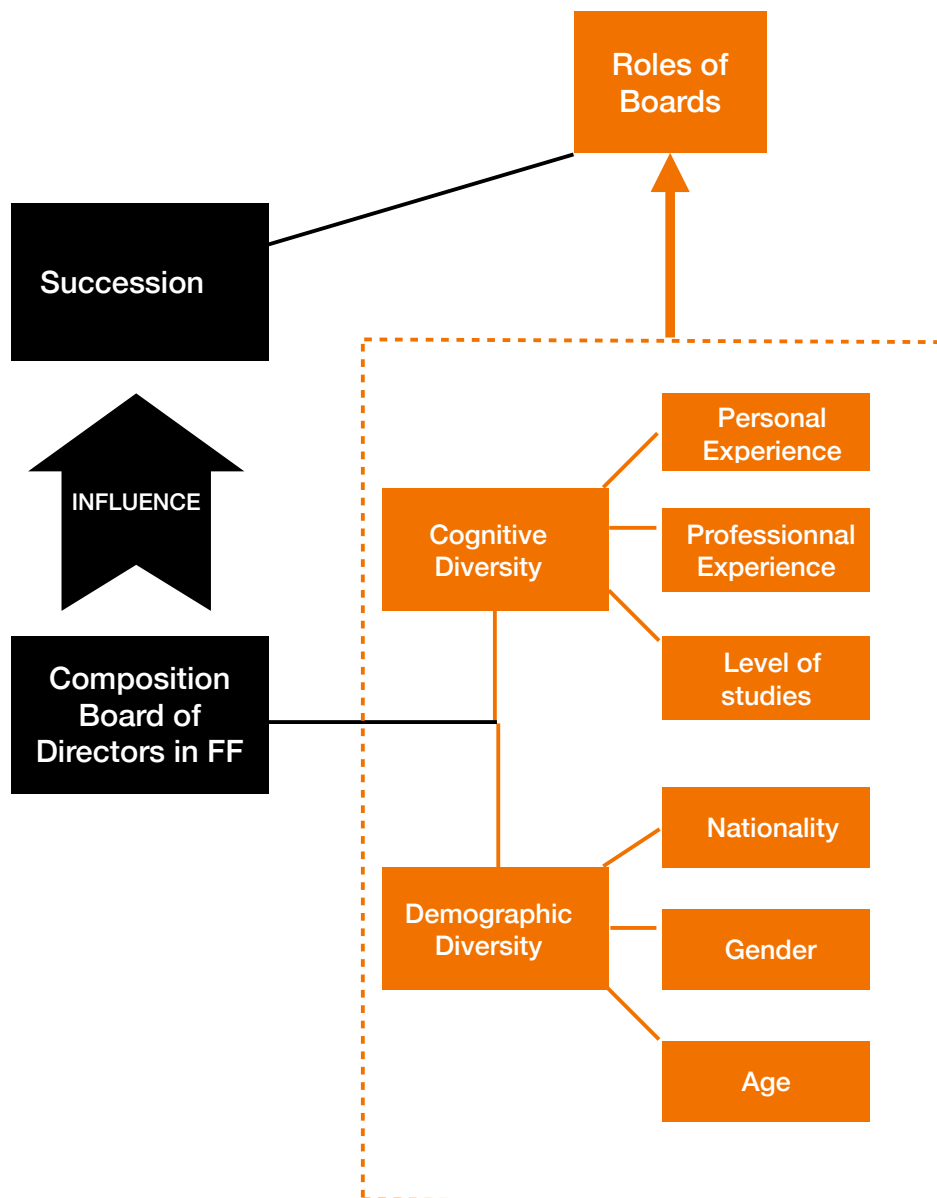


Figure 3: First secondary research question

This will lead us to examine the influence of diversity on the choice of a successor. We choose to focus on directors’ past experiences and argue that they influence the choice of the successor in FF given the fact that directors’ experiences, knowledge, and values shape their choices (Hambrick, 2007). It is important to indicate that one of the legal duties of the Board of Directors is to take care

of leadership succession (Gallo and Kenyon-Rouvinez 2005; Van den Heuvel et al. 2006; Umans et al. 2020) because succession is one of the key challenges family firms have to deal with (Umans et al. 2020). We argue that the theoretical lens of mental time travel is relevant to study and explain directors choices. Suddendorf and Corballis (2007, p. 299) have defined mental time travel as ‘the faculty that allows humans to mentally project themselves backwards in time to re-live, or forwards to pre-live, events’. We argue that directors use their previous experiences to build new options and develop new choices. Our problematic is a question of understanding how past experiences shape the individual's (director) perception of the successor and lead to the choice of this successor. A fundamental component of the decision is the fact that past events, or judgements, must be taken from memory, selecting those that are relevant to the present (Berthoz, 2012). These thinking thoughts about the past, are usually in the form of remembering events that they have experienced, and that they apply to the choices they want to make in the present in order to prepare the future. **(Article 2).**

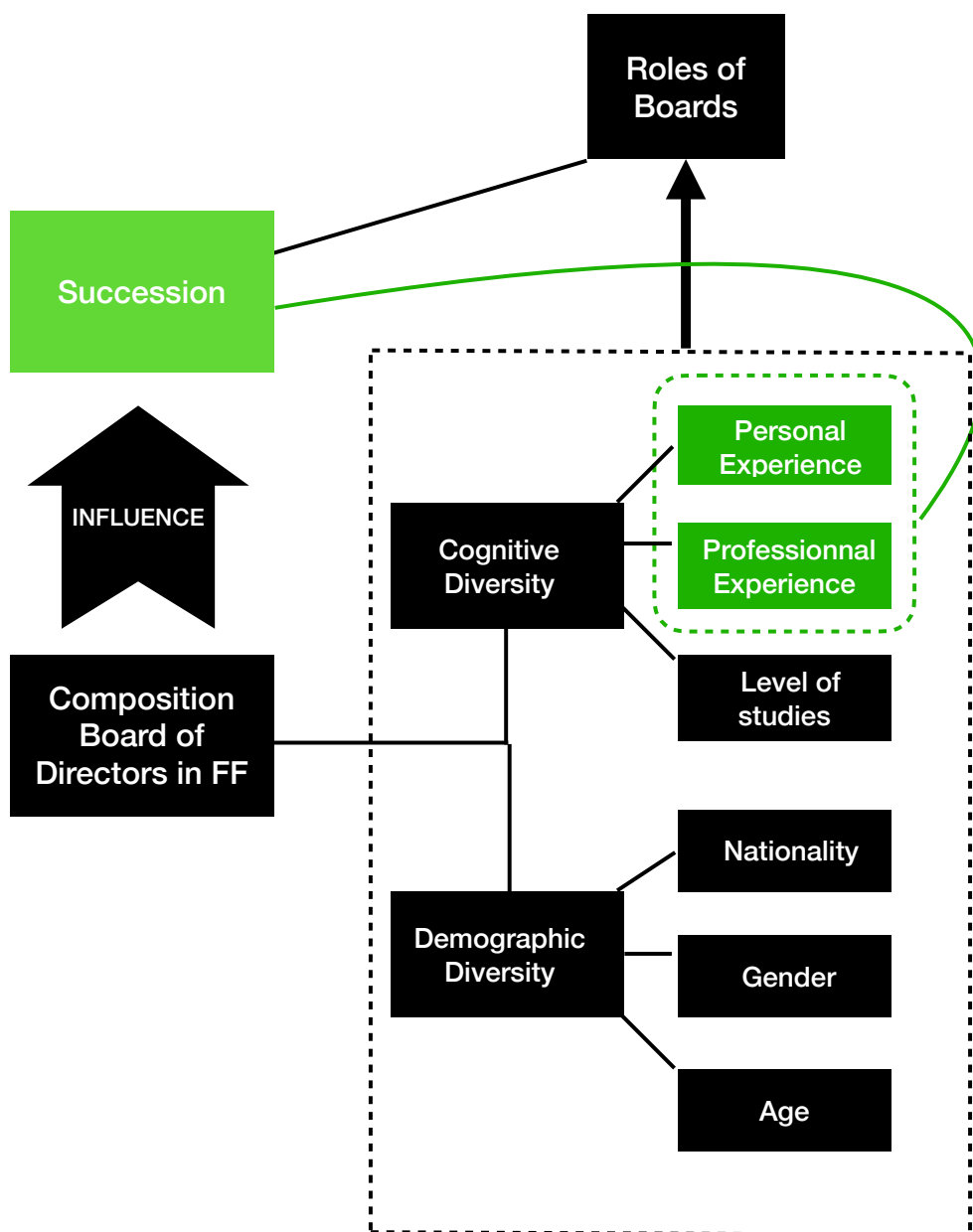


Figure 4: Second secondary research question

Moreover, the role of women in corporate boards of FF is getting growing concern. The analysis of the existing literature highlights a lack of studies on the reciprocal link between family business non-financial goals (Gagné, De Massis, and Sharma, 2014; Campopiano, 2017) and women’s involvement in family firms. These non-financial goals are affected by family dynamics and their influence conciliates with the identification of the family with the firm (Cabrera-Suárez et al., 2014). Drawing on SEW theory, which is relevant to explaining non-financially motivated goals of women on FF boards, we argue that the main goal of these women is the renewal of family bonds through dynastic succession. Given the prominence of majority ownership in FFs, and increasingly gender-diverse boards, we seek to explore the goals associated with women’s involvement in the boards of directors of FFs. **(Article 3).**

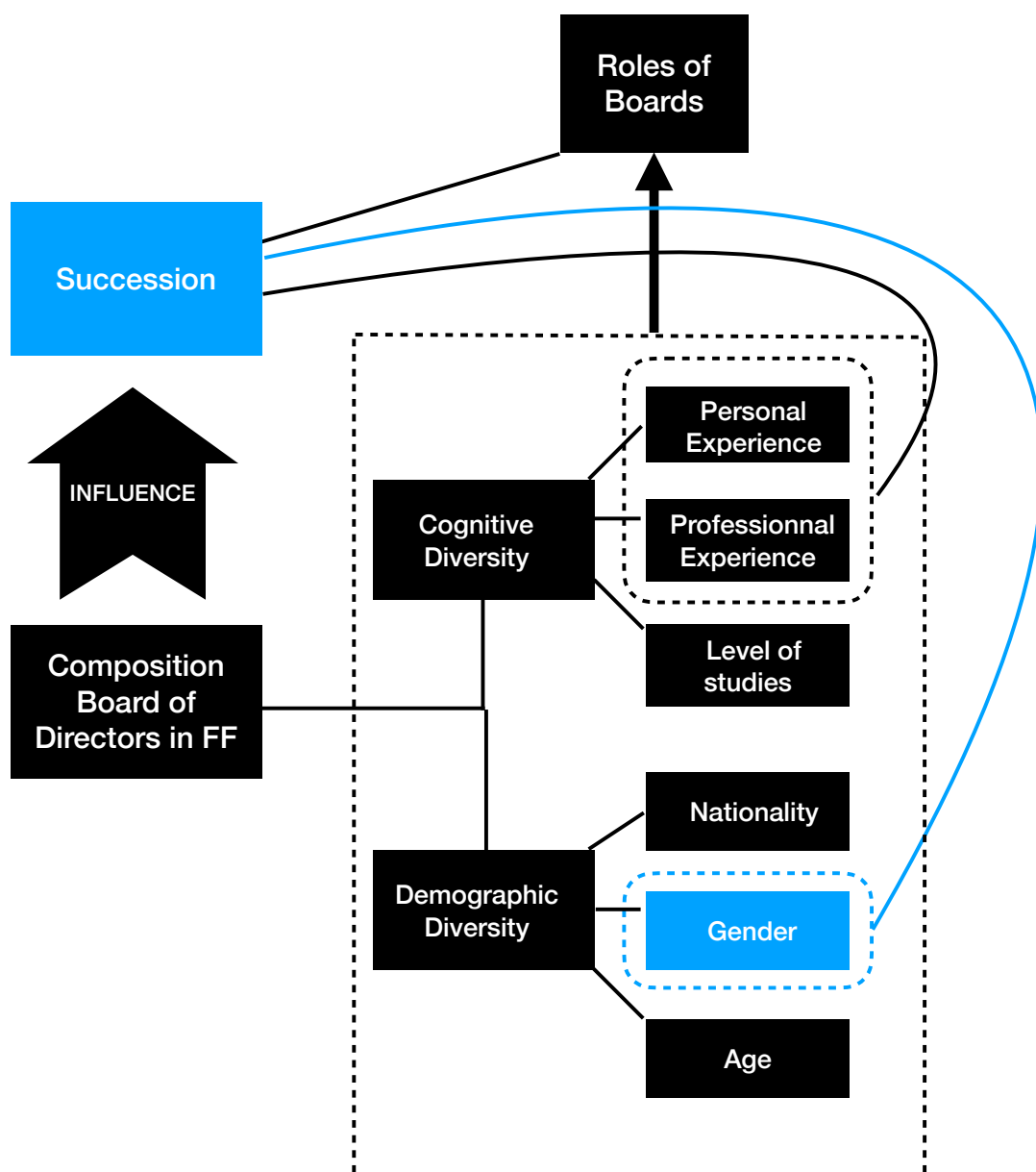


Figure 5: Third secondary research question

Finally, we studied family business succession, which we conceive as an emotion-influenced process, where feelings can affect the choice of a successor. We present the notion of viewing succession through emotions. This insight opens up an additional understanding of family business succession. Emotions have not been studied extensively in family business succession literature (Radu-Lefebvre and Randerson, 2020). Yet, they bring into play what matters in our lives: emotions pass through us, they constitute our humanity, our relationship with ourselves, with others and with our environment. In fact, all human behaviour depends on the emotional experience. Hence, our everyday experiences leave little doubt that emotions influence the decisions we make (Schwarz, 2000). Hence, one of the main reasons for the high failure rate among first- and second-generation family businesses is the inability to manage the emotional aspects of the succession process (Duh et al., 2009; Van der Merwe et al., 2009 ) (**Article 4**).

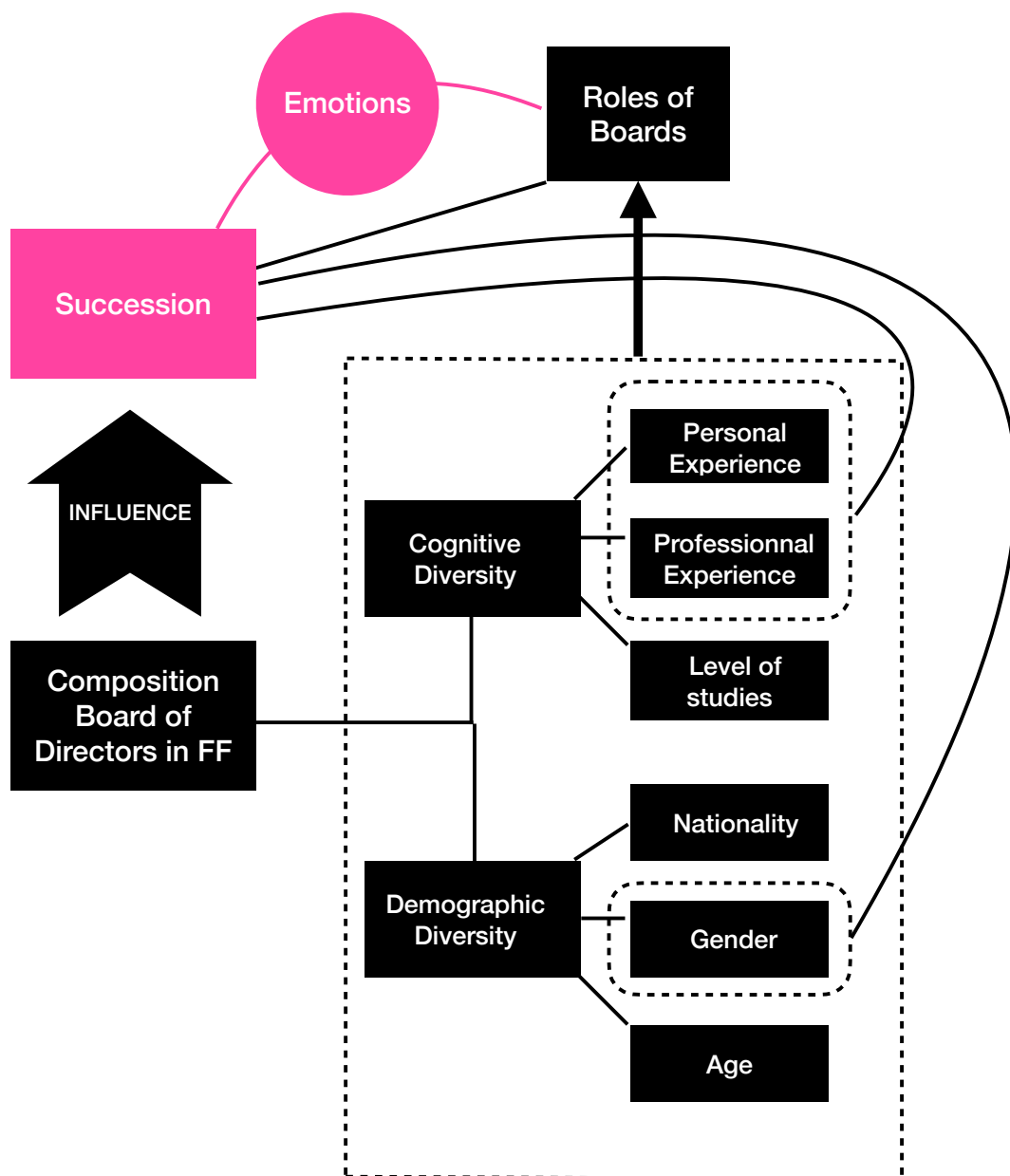


Figure 6: Fourth secondary research question (article 4 and chapter)

Ultimately, we argue that family business succession is an emotion-influenced process, where feelings can affect the choice of a successor. We present the notion of viewing succession through emotions. This insight opens up an additional understanding of family business succession. Emotions have not been studied extensively in family business succession literature, even though human behaviour depends on the emotional experience. Hence, emotions affect organisational processes, decisions and outcomes (Shepherd, 2016). The ability to take into account the feelings, decisions and behaviour of many actors at once creates potential for a significant breakthrough in the study of family business succession. **(Chapter)**.

Hence, this dissertation consists of four papers, and one chapter included in a handbook of research on Business Transfer.

As to the methodology chosen in this dissertation to conduct our research, we have used qualitative research which offers analytical tools for the development of an in-depth examination of the subject (Fletcher et al., 2016). According to Micelotta et al. (2020), these methodologies are particularly suitable to improve the understanding of the complex processes that are at the core of family businesses (e.g., succession). In this regard, case studies have a great potential in providing a deeper understanding of the area of family business (De Massis et al., 2014). Therefore, we have used case studies as empirical data. Table 1 will detail the secondary research questions and specify the cases used in each article.

Articles	Secondary Research questions	Cases
<b>Article 1:</b> Who I am affects what I do: How does diversity among the directors of medium-sized family firms influence board roles?	How does demographic and cognitive diversity of directors affect their behaviour and how does it influence their roles in the boardroom of FFs?	Cases 1, 2, 3, 4, 5 and 6
<b>Article 2:</b> The choice of successor in family businesses: the influence of directors' past experiences.	How does directors' experiences have an impact on the choice of the successor in FFs?	Cases 1, 2, 3, 4, 5 and 6
<b>Article 3:</b> Women's involvement in the boards of directors of family firms through the lens of socio-emotional wealth	How women's goals influence succession and how this relationship is moderated by two dimensions of SEW: binding social ties (B); and renewal of family bonds to the firm through dynastic succession, (R)?	Cases 1, 2, 3, 4, 5 and 6
<b>Article 4:</b> Une succession familiale, que d'émotions !	En quoi les émotions peuvent-elles nous permettre de mieux comprendre le processus de succession dans les entreprises familiales ?	Cases 9 and 10
<b>Chapter:</b> Emotions in Family Business Succession (chapter)	How emotions influence the reasoning of the incumbents when preparing for succession planning and choosing a successor?	Cases 7 and 8

Table 1: Secondary research questions

### **Contributions of this dissertation**

We aim to summarise in the following the contributions of our research. This dissertation aimed to contribute to the research on FF' governance by putting the human and his characteristics in the centre of this research. We value diversity to affirm the existence of differences that reflect a variety of individuals who are recognised in their uniqueness. Human identity means that each human being is unique, and that he or she is distinct and different from others. It is the result of a successive addition of events and experiences. Human identity is the result of a progressive construction throughout life (Marc, 2016). We aim to understand and appreciate characteristics and experiences that are different which include the way of being and the way of knowing. The diversity



contained within each individual embrace the rich dimensions of humanity. We aim to encompass the axes of experiences we have explored and observe their intersection and integration within the decision making of the Board of Directors of FF and particularly in the succession process. We want to offer a more comprehensive picture of the functioning of individuals with multiple aspects of experiences.

Moreover, this dissertation contributes to the existing literature on gender by considering the relationship between women directors on FF boards and non-financial variables (article 3).

Furthermore, we believe that our work proposes a new angle that deserves further study. While family business research recognises the importance of emotions, no empirical study has yet examined the emotions of incumbents when choosing the successor (article 4 and chapter).

As to theoretical contributions, our purpose is to contribute to the discussion about the relevance of interdisciplinary approaches by focusing on the suitability of the field of neuroscience and in particular mental time travel to understand directors decisions (article 2).

The methodological contribution reside in a new multidimensional scale, similar to the FIBER scale, which will measure the impact on SEW of the presence of female boards members in FF. (article 3).

Finally, we believe that our research could have practical implications for the appointment of directors to the boards of family-owned businesses. When making such appointments, we can identify the importance of directors' demographic and cognitive characteristics and their contribution to board functions and quality of debate on governance issues (articles 1, 2 and 3). Additional managerial contributions reside in the need for family incumbents and successors to have trusted advisors to accompany them during the succession process so that emotions do not constitute an obstacle to action (article 4 and chapter).

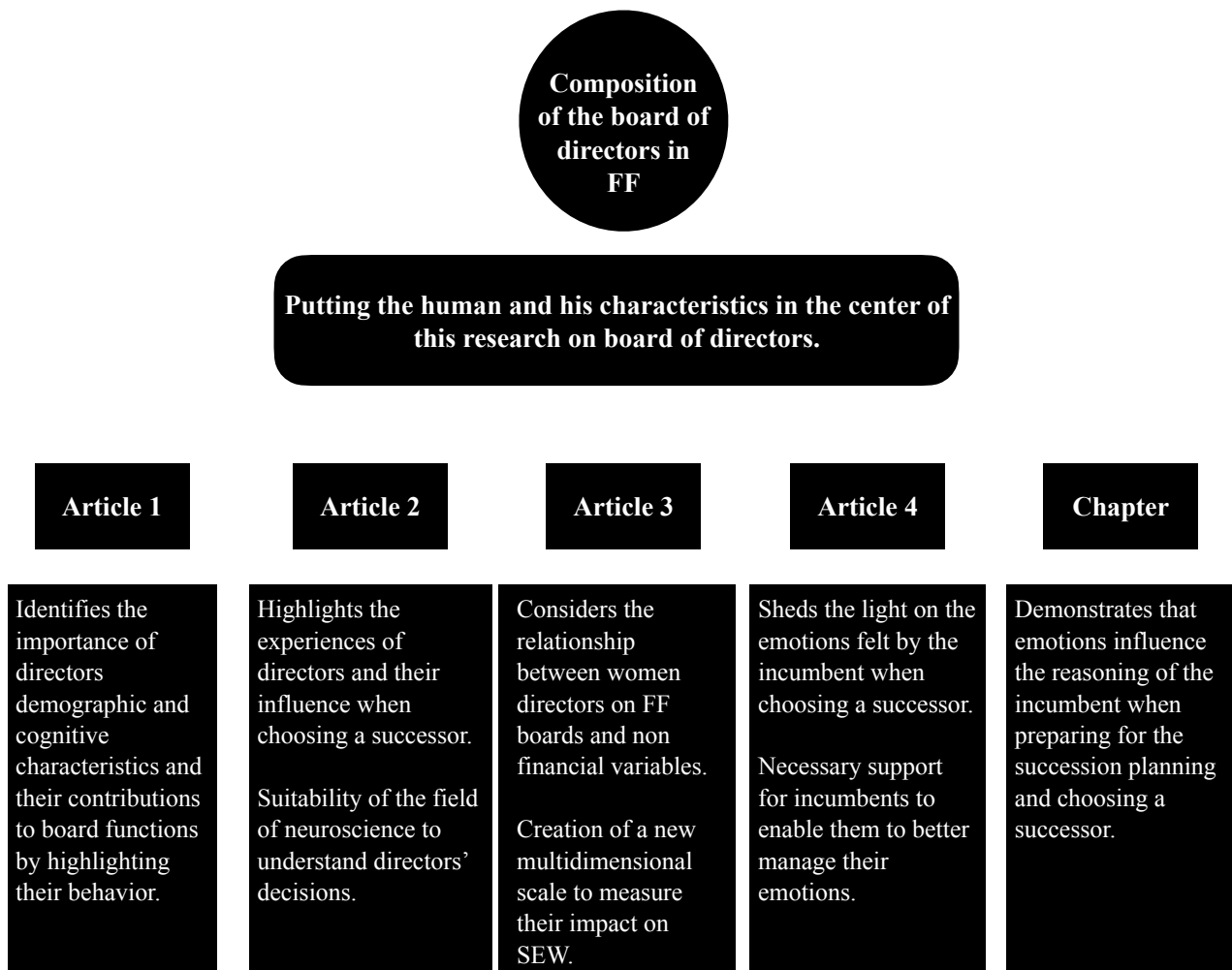


Figure 7: Contributions of each article to the main research question

**Structure of the dissertation**

Given the point of departure mentioned above, the purpose of this dissertation is to explore and develop our conception of the board in family firms. Our dissertation is an article-based thesis. Therefore, it consists of two parts; the first part is composed of three chapters and a conclusion as detailed below:

**Chapter 1** presents the literature review of the dissertation. Specifically, it treats the roles and the the composition of the board of directors. It presents the points of departure which is the human dimension in the board of directors highlighting the diversity of the directors. It outlines the succession and particularly the choice of the successor, which is lead by the board of directors and an emotion- influenced process. Lastly, the gaps in academic literature are detailed.

**Chapter 2** presents the theoretical framework related to our research on boards in FF, the research approach and methodology of the dissertation.

**Chapter 3** contains the results of each paper and an overall discussion is presented.

**The conclusion** summarises the dissertation and outlines its theoretical, methodological, and practical contributions. In addition, it presents limitations of the present research, suggestions for future research avenues, and the overall conclusions of the dissertation.

And the second part presents the four papers and the chapter.

**Structure of the  
dissertation**

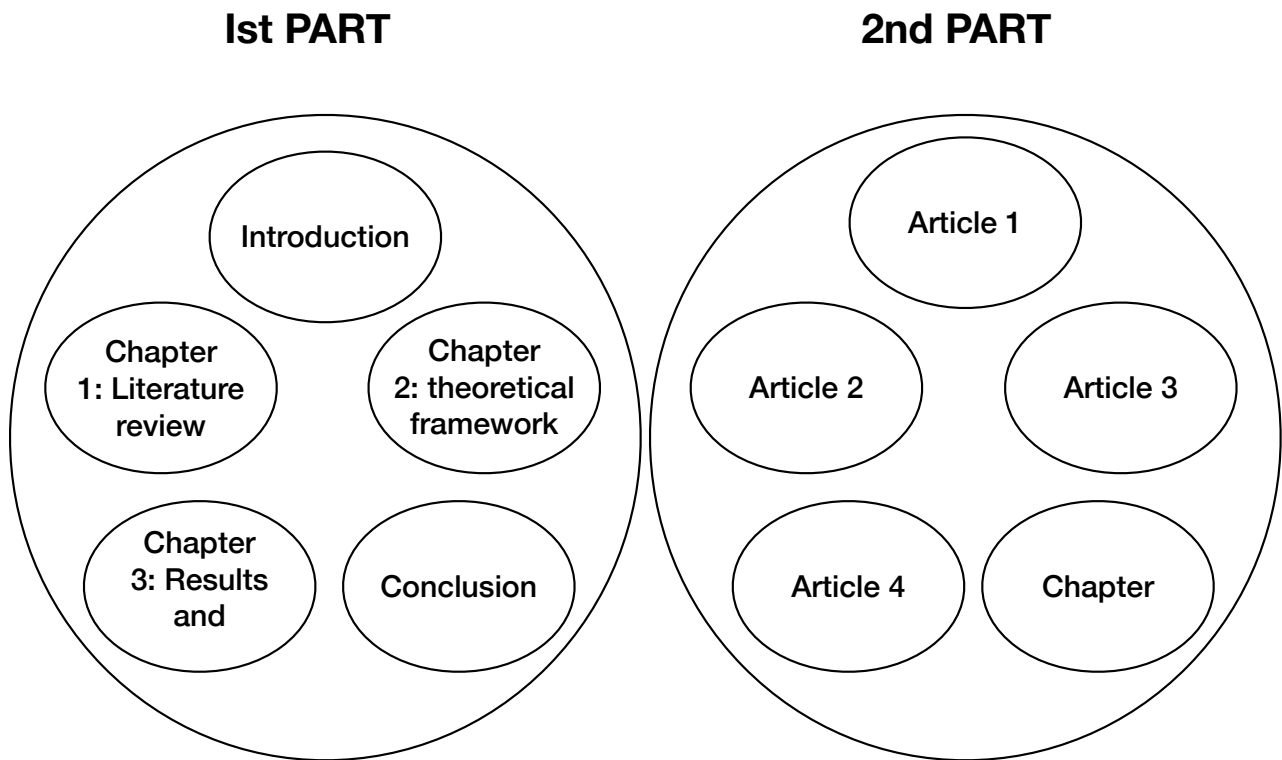


Figure 8: The structure of the dissertation

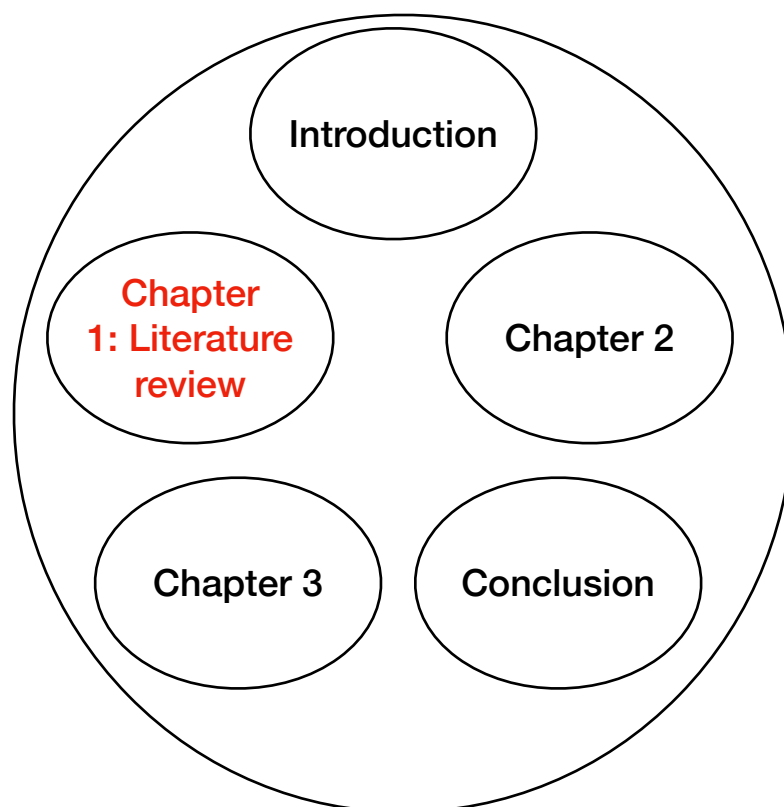
# FIRST PART

## Chapter 1: Literature review

This chapter identifies the research gaps investigated in this dissertation. To do so, several topics were looked for in the literature. It starts by the general frame about succession in FFs which is the linking points between the articles and the expected outcome. Then, emotions are highlighted in family business succession, which we conceive as an emotion-influenced process. Next, we explored prior literature the roles of the Board of Directors in FFs and its composition.

Relying on the human dimension in family businesses, a deeper understanding of the characteristics of directors was relevant to advance the current debate and to pose new challenges to the investigation of diversity dimensions which lead us to present the literature about demographic and cognitive diversity in the boards of FF.

## Ist PART



# 1. Research gaps

## 1.1. The human side of FF Succession

The succession process is the keystone to survival in a FF (Umans et al., 2020). Another challenge for a successful generational transition is to choose the appropriate candidate. We argue that the most relevant factors are the successor's characteristics.

### 1.1.1. FF Succession

Umans et al. (2020) has stated that succession planning has been defined as 'the process that facilitates the transfer of management control from one family member to another and entails the degree to which the family business is engaged in selecting and training the successor, communicating succession decisions to family members, and deciding on the post-succession strategy and the post-succession role of the incumbent CEO' (p.190).

Succession—the transfer of leadership from one generation to the next—is an important challenge that FF face (Dasgupta et al., 2016). The majority of FF owners prefer the renewal of family bonds through dynastic succession (Berrone et al. 2012; Lefebvre and Lefebvre, 2016). These dynastic succession intentions are considered to be a priority influencing family business behaviour including the execution of the succession process itself (Berrone et al., 2012).

In the literature, research established that planning the leadership succession is a key factor in a successful succession process (Le Breton-Miller et al. 2004; Sharma et al. 2001; Marshall et al. 2006; Eddleston and Powell 2008). Even though family business succession is understood to influence long-term performance, many family businesses do not have clear plans nor systematic processes for implementation (Fangetal, 2015). Perret (2016) explains that having a high quality succession plan had a positive influence on the perceptions of family owned business owners and managers. Therefore, in the principle, one would expect that FF will plan the succession in order to ensure successful longevity of the FF. Nevertheless, abundant empirical research worldwide shows another evidence (Umans et al. 2020). In general, less than one third of the FF has succeeded plan, manage an effective succession process and reach intergenerational transition, which make succession planning and intergenerational transfer one of the most important challenges for FF (Mathews and Blumentritt, 2015; Le Breton-Miller et al. 2004; Lefebvre and Lefebvre 2016).

This perplexing inconsistency between theoretical expectations and empirical evidence has captivated family business research for years and originated a research stream looking for the 'recipe' for a successful succession (Umans et al. 2020).

Yet, succession planning refers also to the choice of the successor. Prior literature focuses on the extent to which the decision to select a successor is influenced by the attributes of the potential heir and by organisational characteristics and needs (Basco and Calabrò, 2017). FF can choose successors from among family members and individuals outside the family. Intra-family 'successions are not necessarily better when staffed by professionals from outside the family as opposed to individuals from within the family. This succession selection is contingent on the abilities and training of the successor heirs' (Aguilera and Crespi-Cladera 2012, p.68). Hence, one of the key factor for a successful generational transition is to choose the adequate candidate, who can be male or female (Aldamiz-Echevarría, Idígoras and Vicente-Molina, 2017). The differences

laid on the person and not on its gender. The most influential factors when choosing a successor are the primogeniture, followed by the skills, experience in business (often linked with age) and compliance with the requirements established by the family (Aldamiz-Echevarría, Idígoras, and Vicente-Molina, 2017).

Thus, succession that arises from planned behaviour must have an initiator who possesses these three attitudes (the direction, effort, and persistence) about succession. For FF, this is largely influenced by the incumbent leader (Bozer, Levin, and Santora, 2017) and by the board of directors (Umans et al. 2020).

### **1.1.2. Emotions in FF**

Examining the human dimension in family businesses means looking at the individuals who make them up, their characteristics and their position within the economic unit and within the family. To better understand the complexity of this issue, and how it differs from the situation of non-family businesses, it is important to specify that a family business is first and foremost a family, and then that it is run by an individual whose personality and character traits are decisive (Minialai, 2016). The family, a place of human and emotional interaction, is therefore at the heart of the family business (Randerson, and Radu-Lefebvre, 2021).

This interweaving of the family and the business means that the "human" dimension is omnipresent (Minialai, 2016). It is therefore not possible to dismiss the analysis of the individual, a human being modulated and constructed by his diversity, his experiences, his family system and integrated into the family business (De Vries and Carlock, 2010). The extraordinary wealth of the men and women who make up family businesses must be valued and used differently because value creation is the result of a collective of individuals and not of equipment or digital tools that remain only means to achieve this success (Collins, 2009).

Family businesses have long been considered by the literature to be strongly influenced by emotions from the family system (Labaki, 2019). These businesses include a family system that is at least partially governed by emotional relationships, and a business system that is subject to the economic logic of the market (Stewart, 2003; Cohen and Sharma, 2016). However, one characteristic of a family business is that emotions exist within the two systems of both the family and the company, and that they pass from one system to the other, having repercussions on them both (Labaki et al., 2013). Complexity emerges when these two systems are overlaid, resulting in substantial heterogeneity (Stewart, 2003; Cohen and Sharma, 2016).

Emotions are defined by Cosnier (1994, translated) as 'all the events or states of the affective field characterised by a set of experienced psychics accompanied in varying ways by the intensity and quality of physiological and behavioural manifestations' (p.14). Emotions are thus not considered here as a marginal factor, intervening from time to time, but as constitutive of all activity, unfolding in a constant and moving flow of emotional states that direct and impact actions, relationships and reflections, and which are themselves modified by the activity that unfolds and the situation that is built (Lépine and Martin-Juchat, 2018).

For De Massis and Foss (2018, p.392), we still have 'a gap in understanding of micro-level conditions leading family firm actors and decision-makers to execute the firm strategy'. They highlighted the important role of emotions in the family business because emotions are valuable

incentives of individuals' and collective decisions and actions (Shepherd, 2016) and influence the business outcomes. They have encouraged scholars 'to specify the micro-foundations of emotions-related aspects or neuroscience to provide richer explanations of family firm behaviour and their implications on firm outcomes' (p.393).

Therefore, we aim to enhance our understanding of emotions and their influence on the succession planning process, which remains an under-explored research field (Brundin and Härtel, 2014 ; Shepherd, 2016).

Therefore, it would be relevant to empirically validate how emotions affect one particular type of decision making in family firms: the choice of the successor.

In this context, the emotional influence of the family on the family business is considered inevitable and permanent (Carrau, 2019). The importance of emotions can be seen in the various stages in the life of the company and of the family members, including during family succession. 'The family prints to the family business the specific emotional intensity' (Carrau, 2019, p.236). Within this type of company, the influence of the emotions that are created and developed does not stop at the threshold of the family or the threshold of the family business. In this sense, Nordqvist et al . (2013 ) explain that 'managing a transfer is like managing emotions' (p.1112). Deschamps (2014) emphasises the importance of emotions in business transfers and justifies the existence of emotions as the paradox between continuity and change on the one hand, and rupture on the other, and by fear, for each of the actors of the transfer, of what will follow. She points out the changes caused by this transfer, which constitute sources of anxiety and worries: 'that of failing for the purchaser; that of another life for the salesman; that of the future for the employees of the transferred company' (p.77).

To our knowledge, the literature on family business transfers has not yet shed light on succession through the emotions felt by the incumbent when choosing their successor. Hence, this area is identified as a research gap, because research on succession in the family business focuses on the emotions felt by those involved in the transfer of business, but does not concern itself with the emotions of the incumbent at decision-making time.

According to Higginson, (2010), most FF owners keep with their desire to see their business survive and prosper over the long-term. Therefore, they design an exit strategy for themselves that will eventually transfer ownership and control of the firm to their offspring. A key issue in successful intergenerational succession is ensuring that the next generation is well-prepared to assume the leadership/ownership role within the FF (Higginson, 2010). The foundation of this preparation is the transfer of knowledge from the current owners to the future owners, a process that is facilitated by strong, functional relationships between the generations and the support of the Board of Directors. Indeed, a board of directors may choose successors, manage expectations of family members and successfully manage the leadership transition process (Arteaga and Menéndez-Requejo 2017; Songini et al. 2013). Prior literature explain that the role of Boards of directors in FF is to facilitate the communication and transparency throughout the FF with regard to the succession process (Arteaga and Menéndez-Requejo, 2017). The Boards of directors have the task to ensure the continuity of the FF (Berrone et al. 2012). Research on FFs Boards focus on the role of corporate management mechanisms in the succession process (Botella-Carrubi et al., 2019).

We therefore argue that the neglect of succession planning and the emotions generated by the process make owners ill-prepared for succession. Consequently, the challenge of succession planning by family-owned businesses, raises several issues. In order to understand the obstacles and encouraging factors of succession planning, several important structural and emotional determinants remain largely unexplored. Indeed, recent studies pointed to the importance of governance systems of the family taking a leading facilitating role as succession support systems (Arteaga and Menéndez-Requejo 2017; Gnan et al. 2013), and emotions as potential obstacles (Berrone et al. 2012; Shepherd 2016; Holt and Popp 2013).

This area is identified as a research gap because the family CEO's inability to let go of the business has been identified as an emotional obstacle to succession (Umans et al., 2020), however it is relevant to explore his emotions when choosing a successor .

**Gap 1:**

Exploration of Family CEO's emotions when choosing a successor.

We have cited earlier Umans et al (2020) for whom FF succession is driven by the board of directors, that we study now.

## **1.2. Boards of Directors: Roles and composition**

Corbetta and Salvato (2004) have defined Boards of directors as 'governance bodies that serve important functions for organisations, ranging from monitoring management on behalf of different shareholders to providing resources' (p.119). We will study their role and composition.

### **1.2.1. Board of directors' roles in FFs**

The debate on board of directors' functions highlights the existence of control tasks, sometimes referred to as monitoring, over directors' involvement in the strategy formulation and implementation, and service tasks, which is often sub-divided into networking, advice and counsel (Lohe and Calabrò, 2017; Hillman and Dalziel, 2003; Johnson, Daily and Ellstrand, 1996; Zahra and Pearce, 1989). According to Lane et al. (2006) and Van den Heuvel et al. (2006), the boards of family businesses need to carry out two roles – monitoring and advising – to perform their internal administrative function effectively and to maximise their contribution. The research has been dominated by the advisory role (Pugliese et al., 2009). It has focused on 'how boards' advice activities contribute to strategy making which leads to a deeper examination of the characteristics of the directors within the board' (Barrett and Moores, 2020, p.105). Through the lens of resource dependence theory, the first advisory task of FFs is to offer complementary expertise to management. Nevertheless, board tasks are interrelated. Lohe and Calabrò (2017, p.37) stated that 'Control tasks have their origin in agency theory and regard directors as watchdogs for detecting managerial inefficiencies'.



The functions of family business boards are generally similar to those studied in other types of firms, pointing up monitoring and advice (Arosa et al., 2010; Bammens et al., 2008, 2011; Siebels and zu Knyphausen- Aufseß, 2012). However, as FF follow a dual logic, the business logic and the family logic (Basco and Perez Rodriguez, 2009), the board of directors functions differently (Bettinelli, 2011). Several specific board functions in FF have been mentioned in previous literature such as conflict resolution (Bammens et al., 2011), succession planning (Umans et al., 2020), and introducing the next generation of family members (Corbetta and Tomaselli, 1996; Neubauer and Lank, 1998). However, few researches have observed these functions. Concerning conflict resolution, Bammens et al. (2011, p. 145) stated: 'We know little about the various roles (e.g. representation, mediation, arbitration) played by different board member types, factors affecting the execution of these roles, and the phases making up the goal negotiation process'. Regarding succession planning or the education of the next generation, FF have responsibilities for training the next generation by making them attend family meetings where the firm is discussed, and board meetings in order to be more familiar with the FF (Tabor and Vardaman, 2020).

According to the French Commerce Code ( Article L225-35), 'the board of directors determines the company's strategy and supervises its implementation in accordance with the company's social interest, and taking into account the social and environmental impact of its business'. Board functions as stated in law are different from their roles in FF: according to Bainbridge (2019, p.285), 'boards were dominated by insiders who were relatively unburdened by legal compliance and oversight obligations'. Sometimes, members of the board never meet, the board exists in name only for legal purposes, these members gather for the purpose of granting formal approvals without reviewing, debating or discussing the firm's strategy, because the family CEO was the only person to decide. Based on this discussion, there is a need to investigate the additional functions of boards in FF. There might be specific functions that are directed towards the FF, such as participating and preparing the succession process because of directors' concerns about survival and sustainability. The board directors intervene to encourage the CEO to prepare properly for succession and assist them to identify potential candidates, whether internal or external (Hoitash and Mkrtychyan, 2021). Moreover, due to their experiences and competencies, diverse directors have broad perspectives and skills enabling them to identify the successor and facilitate the transfer of leadership and ownership of a FF from one generation to the next (Barrett and Moores, 2020). This means that we can focus on directors' past experience and argue that it influences the choice of the successor in FF given the fact that directors' experiences, knowledge, and values shape their choices (Hambrick, 2007).

This area is identified as a research gap, because it is relevant to understand how directors' experiences shape the individual's (director) perception of the successor and lead to the choice of this successor.

**Gap 2:**

Influence of directors' experiences on their perception of the successor and on the choice of the successor.

Corporate governance theory proposes that board structure has a strong influence on the actions of the board and higher management that ultimately affect firm performance (Kim et al., 2009). Astrachan et al. (2020, p.1) stated ‘A board’s oversight and guidance, based on the expertise, experience and personal qualities of its members, has always helped drive business success and survival’. Hence, the demographic and cognitive diversity of the board is one important dimension of board structure.

However, when the roles of boards of directors are studied, they cannot be detached from the individuals in the boardroom. Therefore, it is relevant to examine the composition of FFs’ Boards.

### **1.2.2. The Composition of Boards of Directors in FFs**

FFs have ‘unique’ governance structures and mechanisms (Nordqvist and Melin, 2002; Van den Heuvel et al., 2006; Miller and Le Breton-Miller, 2006; Neubauer and Lank, 2016). One of the most pressing questions that has gained attention but which still lacks specific answers is whether and to what extent boards of directors in FFs use different compositional logics (family vs non-family directors, affiliate vs non-affiliate directors) and working styles (Bammens et al., 2011; Bettinelli, 2011). For Cucari et al. (2018) how a board is configured in terms of its structure is a key determinant of what board members can do. ‘The literature mainly analyses board size and board composition as characteristics that influence the supervisory capacity of the board of directors’ (Villanueva-Villar et al., 2016, p 234). Therefore, the composition of the board of directors plays a fundamental role in determining strategic decision-making (Forbes and Milliken, 1999; Michelon and Parbonetti, 2012; Cuadrado-Ballesteros *et al.*, 2017). In the literature, board composition in FFs has been considered in terms of the proportion of family directors and outside directors (Voordeckers et al., 2007) and whether or not the family directors work in the firm (Basco and Calabrò, 2017). However, the traditional distinction between inside and outside boards neglects the fact that generally two types of inside board exist: (1) those solely composed of family members and (2) those composed of family members and non-family members. Investigating the inner composition of the subgroup of directors with family ties, Basco and Calabrò (2017) show that ‘family directors’ are not a homogeneous group and that both active and passive family board members exist. Many scholars have theoretically and empirically explored board composition in family business research (Fiegener et al., 2000b; Voordeckers et al., 2007; Basco and Calabrò, 2017). However, the debate about board composition is still open (Basco and Calabrò, 2017). Indeed, there is a need for further empirical studies to capture the effects of family dimensions (Basco and Calabrò, 2017) on board composition beyond dichotomous categorisations such as inside-outside board member ratios ((Barrett and Moores, 2020).

Composition is not the only element explaining board functioning in FFs. Diversity is considered to be an important aspect of board composition (Post et al., 2011, 2015). Board diversity has the potential to increase board effectiveness and performance (Rao and Tilt, 2016b). Therefore, we see many reasons for focusing attention on the demographic and cognitive diversity of directors in FF boardrooms. Our approach takes into consideration family versus non-family dimensions and affiliated versus non-affiliated directors in order to have a complete view of these individuals, their actions, their behaviour and their goals. However, we believe that a deeper understanding of the characteristics of directors will not only advance the current debate but also pose new challenges to the investigation of diversity dimensions. De Massis et al. (2021) discussed how the psychological foundations of individuals in the management of FF, such as experiences, values... affect strategic decision-making and the outcomes of FF. The literature makes a distinction between inside and

outside boards but this is not sufficient to study boards in FFs as it only highlights the affiliation or not to the family and neglects the human characteristics of the directors. This dissertation focuses on the demographic and cognitive diversity of board members with the objective of examining the influence of both types of diversity on board roles and succession. The demographic and cognitive diversity of directors is an important dimension of board structure because it encompasses the human characteristics that shape their choices. Accordingly, we will focus on observing how the diversity of directors in medium-sized FFs influences their behaviour and affects their roles in the boardroom and influence succession.

**Gap 3:**  
Influence of diversity of directors on their behaviour and roles.

This lead us to explore directors' demographic and cognitive diversity.

### **1.2.2.1. Demographic Diversity**

The board of directors in a FF may include people of different ethnicity, gender and age. In the prior literature, the knowledge embodied in a firm's human and social capital can be a competitive advantage. According to Barrett and Moores, (2020), age diversity in the FFs boardroom has positive outcomes. It allows access to a wider range of means leading to speedy seizing opportunities. However, age diversity conflicts can arise between older and younger directors in the boardroom (Barrett and Moores, 2020). Regarding ethnic diversity, Cox (1996) has found that it increases the number of ideas, promotes creativity and leads to increased innovation. Wilson et al. (2013) revealed that UK FF appoint board members in close geographic proximity allowing the board to meet quickly in an emergency and thereby reduce the access to diverse perspectives. Beyond this, there appears to be little research about ethnic diversity on FF' boards (Barrett and Moores, 2020).

Moreover, business and government<sup>1</sup> leaders have argued for rising the number of women on boards and some have supported regulations to compel companies to do so. However, in FF, the link between these laws and the presence of women has not been established (Gomez and Guedri, 2012). Women were part of FF boards before these regulations because they were members of the owning family. Hence, one important stream of research has focused on gender diversity on FFs' boards because the role of women in board positions is getting growing concern. According to Poletti-Hughes and Martinez Garcia (2020), the economic benefits from gender diversity on boards have been highlighted and explained through agency, resource dependence and human capital theories (Hillman, Withers and Collins, 2009). According to these theories, the presence of female directors on the board increases the range of information that is available and enhances decision-making (Francoeur, Labelle and Sinclair-Desgagné, 2008). It increases market penetration by virtue of

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<sup>1</sup>E.g. France voted in 2011 a law requiring publicly traded companies or firms exceeding certain thresholds to appoint women to their boards.

greater understanding of the diverse range of customers and employees (Campbell and Mínguez-Vera, 2010). These benefits are relevant in FFs. However, when we try to justify women's active involvement on the family business board, we have to take into consideration the noneconomic strategic goals of family controlling owners (Chrisman, Sharma, Steier, and Chua, 2013).

**Gap 4:**

Influence of women involvement in FF board on non economic goals.

These viewpoints conform to the 'value in diversity' hypothesis (Cox et al., 1996) which states that the demographic diversity of board members should provide a broader range of knowledge, information and perspectives and is expected to lead to an improvement in firms' governance.

### **1.2.2.2 Cognitive Diversity**

Nowadays, the boardroom needs to reflect a diverse society within its governance roles. Outside the boardroom, society is more multicultural and comprises individuals from diverse backgrounds (HBR, 2019). Companies face a complex economy that demands sophisticated talent with global insight, multicultural fluency, technological literacy, entrepreneurial skills and the ability to manage increasingly delayed and disaggregated organisations (Caligiuri, De Cieri, Minbaeva, Verbeke and Zimmermann, 2020).

According to Arzubiaga et al. (2018), prior literature has found that boards can improve a firm's performance through the capabilities and resources directors offer, and thereby have the potential to provide competitive advantages for FFs (Bammens et al. 2011; Sirmon and Hitt, 2003). On the one hand, Arzubiaga et al. (2018) stated that directors are considered as having a high level of expertise, thanks to their general business knowledge and professional experience in strategic problem solving based on university training and outside work experience (Kim et al. 2009). In addition, they are perceived as experts given their specific knowledge about a firm's internal processes (Pugliese and Wenstøp, 2007; Zattoni et al., 2015) which allow them to influence the speed and breadth of strategic action capabilities (Kim et al. 2009). On the other hand, board members would benefit from a broader external resources made available by their multiple networks that FF often lack (Van den Heuvel et al., 2006) which may help the FF implement existing strategies (Wincent et al. 2014). Overall, research shows that appointments of directors from different backgrounds and bases of expertise offer different experiences and can make a valuable contribution to the governance of a firm (Zattoni and Pugliese, 2012; Pugliese and Wenstøp, 2007). In light of previous research, cognitively diverse board members need to put forward their different views and ideas in order to execute their roles.

To summarise, the different types of diversity that we find among boardroom directors include age, gender, ethnicity, culture, religion, constituency representation, independence, professional background, knowledge, technical skills and expertise, commercial and industry experience, and career and life experience (Barrett and Moores, 2020). We argue that these demographic and

cognitive diverse directors support firm survival by providing valuable advice when leading the choice of the successor in FF. Figure 9 describes demographic and cognitive diversity. The inner circle is related to the invisible part of the diversity (cognitive diversity) and the external circle is related to the visible part of the diversity (demographic diversity).

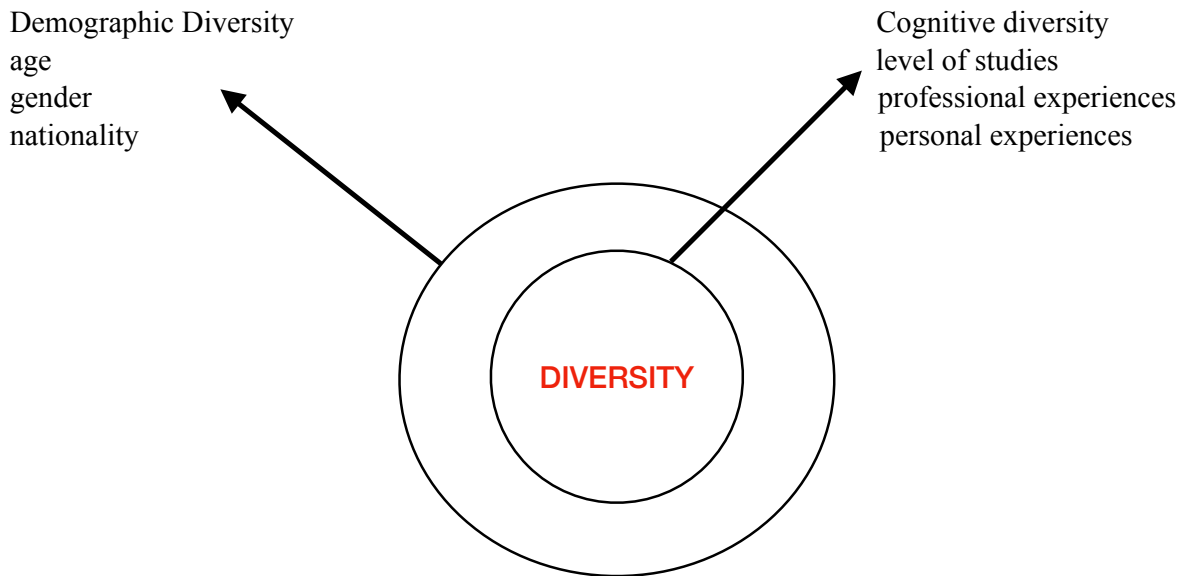


Figure 9: Demographic and cognitive diversity

### 1.3. Summary of the research gaps

In a recent work, De Massis and Foss (2018) highlighted and explained the need to use ‘a micro-foundational lens in order to build and test theory that allows scholars to extend, enrich, and refine current knowledge on family enterprises’ (p.386). According to the explanation provided by these authors, ‘the micro typically involves individuals and their interactions, the macro may be, for example, firm-level outcomes, and furnishing micro-foundations then means providing a theoretically informed explanation of how firm-level outcomes emerge from the characteristics, behaviours, and interactions of individuals’. According to De Massis and Foss (2018), we still lack explanation about the mechanisms of choice and action at the micro level. They consider that ‘Ignoring the micro level is problematic because the predictions of our theory for macro-level phenomena may be wrong or incomplete (p.386). They have encourage additional research on individual action and interaction in order to understand ‘how individual-level factors impact organisations; and to understand the processes that aggregate individual actions into resultant firm behaviour outcomes’ (p.387).

The human and/ or the individual dimension is an application to micro-foundational thinking. Hence, businesses do not create value or performance, these are the outcomes of individuals actions and reaction in the business which involves paying attention to individual-level heterogeneity (Felin and Hesterly, 2007). The individual-level determinants should be examined deeply because according to De Massis and Foss (2018), we still have ‘a gap in understanding of micro-level conditions leading FF actors and decision-makers to execute the firm strategy’.

Several avenues for research on boards in FF have been identified. In principle, there are two sources for identifying research gaps (De Massis and Kammerlander, 2020): first, from detecting a theoretical gap in the literature; second, from identifying an unexplained real-life phenomenon. Interestingly, we have used both sources to determine the gaps details below. According to Bingham and Eisenhardt (2011), there are four sources for research questions: (1) unanswered real-life problems; (2) an intriguing or novel organisation or process; (3) using a different lens for studying a phenomenon; (4) further unpacking a process with a different focus.

Moreover, we wanted to feel passionate about working on answering the research questions and trying to close these research gaps. When Ravasi (2020) was sharing his insights with Kammerlander and De Massis (2020), he has confirmed : ‘I usually start with a setting that I find fascinating. I do not do boring cases. Life is too busy to waste time on settings that I do not genuinely want to learn more about.’ (p. 8). As Pratt (2020) put it when sharing his selection process with Kammerlander and De Massis (2020), I tried to be inspired by my own experience to dive in certain topics that deserve to be examined deeply. Two elements inspired my research: First, I was a board member which allow me to experience the behaviour of passive and active members. Second, I worked with my husband during ten years in the FF. My experience in the FF have helped me observing phenomena that are important in a FF, phenomena that might not have been as easily observed by researchers lacking a family business background. Even if this experience had advantages and disadvantages, I have tried to reduce the negative impacts and the bias while amplifying the possible positive impacts of this experience.

The constituent papers of this dissertation address some of the identified research gaps, which can be summarised as follows:

- Previous research has focused on board composition in terms of outside versus family directors. The literature makes a distinction between inside and outside boards but this is not sufficient to study boards in FFs as there are several types of inside board. We respond to the call for more research on board composition by going beyond demographic variables and adding behavioural dimensions as family-oriented objectives (Adams et al., 2010). Our approach to understanding directors’ behaviour is through exploring their characteristics. When the roles of boards of directors are studied, they cannot be detached from the individuals in the boardroom. There is an obvious need to consider the characteristics of family and non-family directors in the boardroom.
- In line with the previous gap, the literature does not dig deeper in the experiences of each director in FFs boards, which is surprising given its relevance in order to understand ‘how individual-level factors impact organisations; and to understand the processes that aggregate individual actions into resultant firm behaviour outcomes’ (De Massis et al., 2018 p.387). Therefore, it is relevant to have more information about the human beings who composed this board whether they are members of the owner-family or not. It is important to indicate that one of the legal duties of the Board of Directors is to take care of leadership succession (Gallo and Kenyon-Rouvinez 2005; Van den Heuvel et al. 2006; Umans et al. 2020) because succession is one of the key challenges FF have to deal with (Umans et al. 2020). Therefore, it is relevant to dig more deeply on directors’ past experience and examine if it influences the choice of the successor in FF given the fact that directors’ experiences, knowledge, and values shape their choices (Hambrick, 2007).

- In line with the gap related to directors' diversity, in FFs' Boards, the benefit of gender diversity on boards of directors has received growing interest in the literature (Ali et al., 2014; Post and Byron, 2015; Arzubiaga et al. 2018; Cesaroni et al., 2018; Bjuggren et al, 2018; Cruz et al., 2019; Bettinelli et al. 2019; Gonzalez et al., 2020). Cesaroni and Sentuti (2018) reported a trend towards gender diversity in boards. However, this stream of research does not engage with goal setting theory, which is surprising given the relevance of this theory to explaining the benefit of gender diversity. When research investigates women's active involvement on the family business board, the goals associated with their presence need also to be taken into consideration (Chrisman, Sharma, Steier and Chua, 2013). According to Campopiano (2017), there is a lack of studies on the reciprocal link between family business goals (Gagné, De Massis and Sharma, 2014) and women's involvement in FFs. A number of studies has focused on women economic contributions in FF boards (Amore, Garofalo and Minichilli, 2014; Cruz et al., 2012). Furthermore, FFs have various goals, and concentrating only on economic goals depicts an incomplete picture of family business performance (Williams, Pieper, Kellermanns and Astrachan, 2018). When we try to justify women's active involvement in the family business board, we have to take into consideration the non-economic strategic goals of family controlling owners (Chrisman, Sharma, Steier and Chua, 2013). Therefore, responding to one of the research gaps emerging from Campopiano's literature review (2017) to understand women involvement in family firm board, by investigating their goals is of interest.
  
- In line with the objective of our research which highlights the importance of human characteristics in FF, emotion is important for understanding the decisions and actions of family members in family-owned businesses (Harrell, 1997; Zellweger and Dehlen, 2012; Kellermanns et al ., 2012). However, according to Shepherd (2016), there are substantial gaps in our understanding of emotions in family-owned businesses (see also Brundin and Härtel, 2014). Most of the research on family-owned businesses has been devoted to exploring the problems, challenges and solutions associated with the succession of family-owned businesses (e.g., Chrisman et al ., 2009). However, emotions in family succession have been scarcely studied empirically in the academic literature (Radu-Lefebvre and Randerson, 2020). Hence, to better understand the choice of the successor in FF, another research avenue would be to study the incumbents' emotions.

<u>Research gaps</u>	<u>Research questions</u>
1. When the roles of boards of directors are studied, they cannot be detached from the individuals in the boardroom. There is an obvious need to consider the characteristics of family and non-family directors in the boardroom.	How does demographic and cognitive diversity directors affect their behaviour and how does it influence their roles in the boardroom of FFs?
2. It is relevant to dig more deeply on directors' past experience and examine if it influences the choice of the successor in FF given the fact that directors' experiences, knowledge, and values shape their choices (Hambrick, 2007).	How does directors' experiences have an impact on the choice of the successor in FFs?
3. When research investigates women's active involvement on the family business board, the goals associated with their presence and the non-economic strategic goals of family controlling owners need also to be taken into consideration.	How women's goals influence succession and how this relationship is moderated by two dimensions of SEW: binding social ties (B); and renewal of family bonds to the firm through dynastic succession, (R)?
4. To better understand the choice of the successor in family firm, another research avenue would be to study the incumbents' emotions.	How emotions influence the reasoning of the incumbents when preparing for succession planning and choosing a successor?

Table 2: Research Gaps

After listing the research gaps considered in this thesis, the secondary research questions are now positioned within the research model (Figure 10). Figure 10 shows how the research questions are grounded on the gaps of the literature.



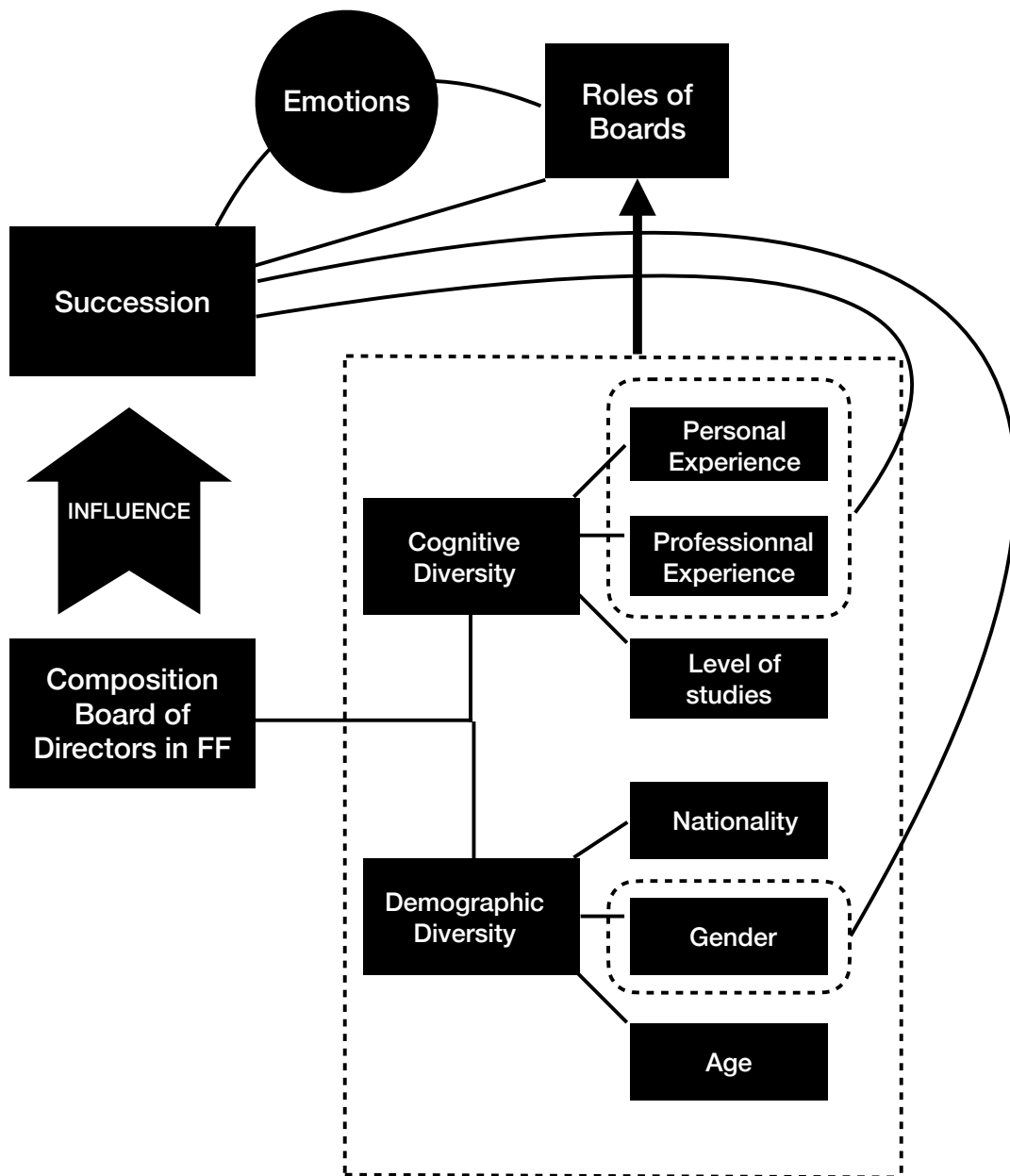


Figure 10: Our research model

In the following, the theoretical frameworks will be discussed.

## 2. The theoretical frameworks

We have used three theoretical framework in the dissertation: the upper echelons theory, the mental travel theory and the socioemotional wealth theory. We will explain these theories in the following and justify why they are suitable to our research.

### 2.1. The upper echelons theory

Upper echelons theory (Hambrick and Mason 1984, p.193) is grounded on the fact that ‘organisational outcomes, strategic choices and performance levels, are partially predicted by managerial background characteristics’. Specifically, it states that organisational outcomes and strategy may be considered as reflections of the characteristics of powerful actors in organisations,

especially its top managers (Hambrick and Mason, 1984). This theory has two interconnected parts: ‘(1) executives act on the basis of their personalised interpretations of the strategic situations they face and (2) these personalised construals are a function of the executives’ experiences, values, and personalities’ (p. 334). Indeed, according to this framework, the outcomes of the FF would reflect the demographic and cognitive characteristics of its board of directors.

One important stream of research has focused on upper echelons theory (Hambrick and Mason 1984) to identify top management team characteristics that are important components to analyse the strategic directions of the firms. In our dissertation, our approach to understanding directors’ behaviour is through exploring their characteristics. When the roles of boards of directors are studied, they cannot be detached from the individuals in the boardroom. De Massis et al. (2021) discussed how the psychological foundations of individuals in the management of FF, such as experiences, values... affect strategic decision-making and the outcomes of FF. Ensley and Pearson (2005) extend the upper echelon perspective to the context of FF, as the theory is especially helpful in understanding that ‘the family business creates a unique management situation that results in both advantages and disadvantages to the firm’ (p. 267). Röd (2019), stated that the upper echelon perspective underlines the importance of the management team for FF’s strategic behaviours and choices (Hambrick and Mason, 1984) and considered that the upper echelon perspective is a concept rooted in the behavioural theory of the firm which claims that behavioural factors of the firm’s management team influence complex strategic decisions (Hambrick and Mason, 1984).

Moreover, directors diversity has the potential to provide management teams with different types of knowledge and decision-making styles and a greater variety of professional perspectives (Koryak et al., 2018). According to Day, (2020), through the lens of upper echelon theory, teams with diverse demographics will gather information from multiple sources and have different interpretations, opinions and attitudes about the collected data.

Therefore, we must consider the members of the FF governance body: the individuals on the board of directors. Hence, as described in figure 11, upper echelons theory enables us to focus on the characteristics of the directors on the board in order to obtain a greater understanding of the roles they play in this governance body (Bromiley et al., 2016). At this point, it is worth noting that managing a FF is a shared activity and the collective cognitions, capabilities and interactions of the entire board of directors affect their behaviours (Kotlar and De Massis, 2013). Thus, we wish to verify that the roles of a board depend, at least in part, on the board’s composition and, in particular, on directors’ characteristics. Hence, the upper echelons theory (Hambrick and Mason, 1984) will allow us to explain the impact of director diversity on the roles of the board (figure 11). The idea is to demonstrate that ‘who I am influences what I do’. We explore the dynamic relationship between director behaviour and the governance of the firm to find out how the implementation of governance mechanisms is affected by the behaviour of the directors which, in turn, is influenced by their individual characteristics.

Based on the upper echelons theory (Hambrick and Mason, 1984), we question the idea that ‘what I am’, which alludes to demographic and cognitive diversity, influences ‘what I do’, which refers to the behaviours of directors when they carry out their roles on the board of the FF.

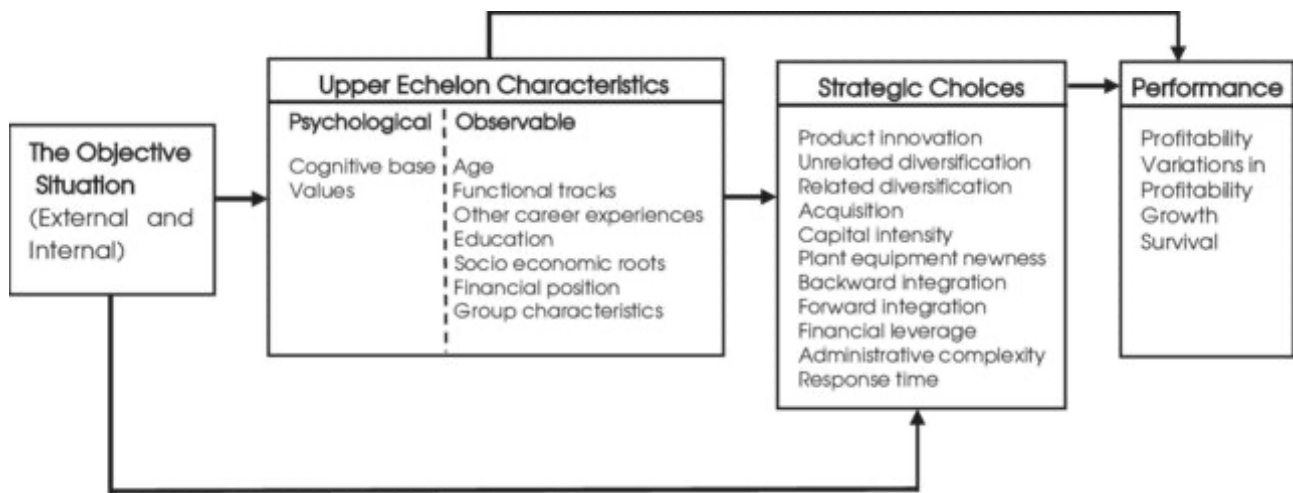


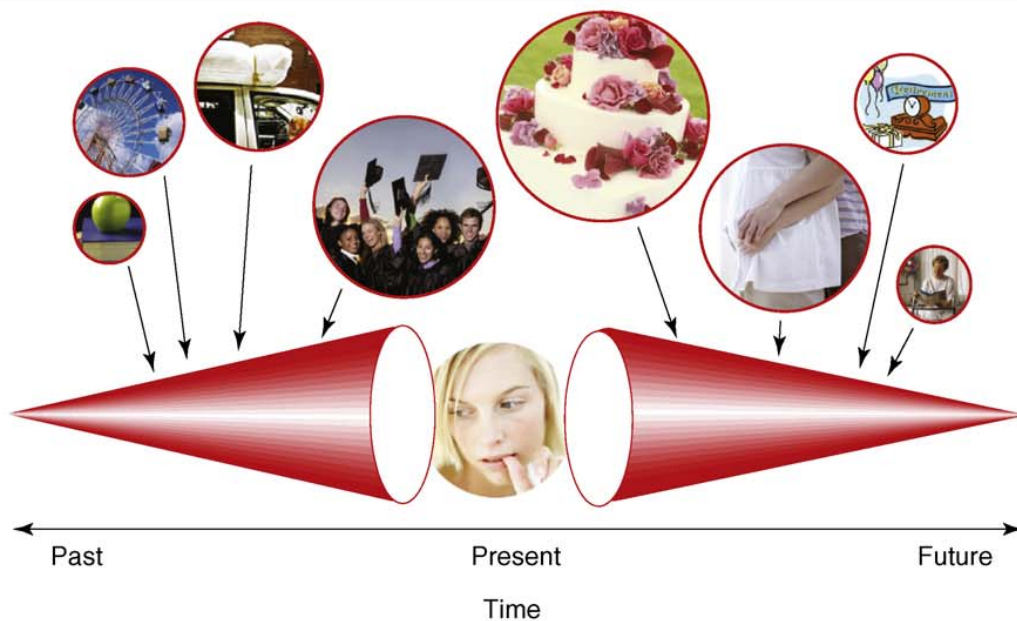
Figure 11: Hambrick and Mason's (1984) upper echelons perspective of organisation (Source: Hambrick and Mason, 1984, p. 198)

## 2.2. The mental time travel theory

A remarkable ability of the human mind is to be able to detach itself temporarily from the immediate present to mentally travel into the past or future (Ernst, 2019). This ability, known as mental time travel, combines the concepts of autobiographical memory and future thought, which allow us to mentally re-experience or pre-experience past or future personal events when they are evoked (Ernst, 2019).

As early as the 4th century, St. Augustine had the intuition of a close link between our ability to remember our past and to imagine our future. He wrote: ' Thus, when we recount past events which have really taken place, memory reproduces not those events which are no longer, but the words which express the images which the events have engraved in our minds by passing through the senses, as traces of their passage' (St Augustine, Confessions, L. XI, about 400 AD). However, it was not until the end of the 20th century that mental time travel became an object of study in the field of cognitive neuroscience and constructive neuropsychology (Tulving, 1985). Thus, our memories would not consist of a passive 'replay' of representations stored in memory. On the contrary, they would be based on a reconstruction of events whose constituent elements (the place, the moment, the people present, what happened, etc.) will be recovered and recombined into a coherent whole with the initial event (Schacter, 2007; Addis, 2007).

Figure 12 is an illustration of the mental time travel theory. It shows how people travel through time mentally to remember past experiences and to plan the future. It proposes that a bi-cone design best illustrates human mental time travel abilities.



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-cone shows a mental time traveler in the present moment who can both remember past episodic memories and plan future events.

Figure 12: ‘The bi-cone shows a mental time traveler in the present moment who can both remember past episodic memories and plan future events. The circular balloons show memories or planned events at varying temporal distances into the past or future. The size of these balloons represents the number and clarity of these memories or plans’. (Source: Roberts and Feeney, 2009, p. 273)

According to several authors (Addis, 2018; Schacter, Addis, Hassabis, Martin, Spreng and Szpunar, 2012; Suddendorf et al., 2009), the constructive nature of the autobiographical memory is due to the fact that its primary function is not so much to preserve exact copies of past events, but rather to provide the basic "ingredients" necessary for anticipation, reflection and imagination of future events. The memory would therefore be a kind of reservoir where information is stored and can be reused to form new future representations (Addis, 2018; Schacter et al., 2012; Suddendorf et al., 2009).

Addis and Schacter (2007) suggested a constructive episodic simulation hypothesis which offers a theoretical framework to explain the links between autobiographical memory and future thought on a cognitive and brain level. This hypothesis proposes that, on the one hand, both past and future mental representations are based on information stored in memory that is flexibly retrieved and recombined into a new coherent event. For Fischer (2002), 'experience bears the imprint of the whole person. It contains ideas and concepts, thoughts and emotions and is therefore not confused with immediate perception' (p.130). Hence, an individual's past experience has two dimensions: personal experience and professional experience. It is the individual's feeling, his perception of a particular event.

Thus, we argue that more effort is necessary to analyse the complexity of these experiences and to understand how they matter when the successor should be chosen. Indeed, we answer this need for deepening understanding of experiences of directors on FF boards, which influence decisions, choices and actions. We aim to explore if directors’ past experiences matter for succession. Therefore, we use the mental travel theory to analyse the impact of directors’ previous experiences.

The core of the mental travel approach is that decision-making in FFs is driven by past experiences of directors (Ernst, 2019). In this regard, we suggest that their past experience will influence the choice of the successor.

### **2.3. The socioemotional wealth theory (SEW)**

SEW refers to ‘non-financial aspects of the firm that meet the family’s affective needs’ (Gómez-Mejía et al., 2007, p. 106). The core of the SEW approach is that decision-making in FFs is driven above all by non-economic aspects that meet the family’s affective needs (Hauck and Prügl, 2016). Over the past decade, an ‘emotional’ perspective of business ownership has been popular among family business scholars. The preservation of SEW has become a widely favoured explanation of the economic behaviour and dynastic intentions of business-owning families (Cleary, Quinn and Moreno, 2018; Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson and Moyano-Fuentes, 2007; Morgan and Gomez-Mejia, 2014).

Moreover, the theoretical development of the SEW model considers SEW as a multidimensional concept (Berrone et al., 2012). Five dimensions can be recognised; these come under the abbreviation FIBER. Family control and influence (F) is one of the key characteristics distinguishing FFs from non-FFs. Maintaining current family control and influence over the firm can gain higher priority than financial considerations. The exercise of control can be organised either directly (e.g. a family member as CEO) or indirectly (e.g. family members appointing top executives). Control does not necessarily have to be related to formal ownership but can be exerted in informal ways as well (Berrone et al., 2012). Identification of family members with the firm (I) is a possible result of the close linkage between family and firm. Family ownership of a firm provides a sense of identity to the family and its members (‘I/we know who I am/we are’) and may, therefore, extend the self. Perceptions of identity are driven not only by the family context but also by a broader social context (Berrone et al., 2012). Binding social ties (B) refer to the firms’ social relationships with various stakeholders; for example, with employees – these relationships are frequently close and can even be family-like. Furthermore, FFs are often deeply embedded in their (local) communities and support community associations and activities (Berrone et al., 2012). Emotional attachment of family members (E) relates to the role of emotions in the FF context. The FF may serve the family by becoming a place where affective needs for belonging, cohesion and security are satisfied (Berrone et al., 2012). Renewal of family bonds to the firm through dynastic succession (R) relates to the long-term vision of keeping the firm under the family’s control in future generations. This transgenerational vision and sense of dynasty are considered key concerns of FFs (Berrone et al., 2012). The FIBER multidimensional scale (Berrone et al., 2012) comprising the above-mentioned five factors is shown in Figure 13.

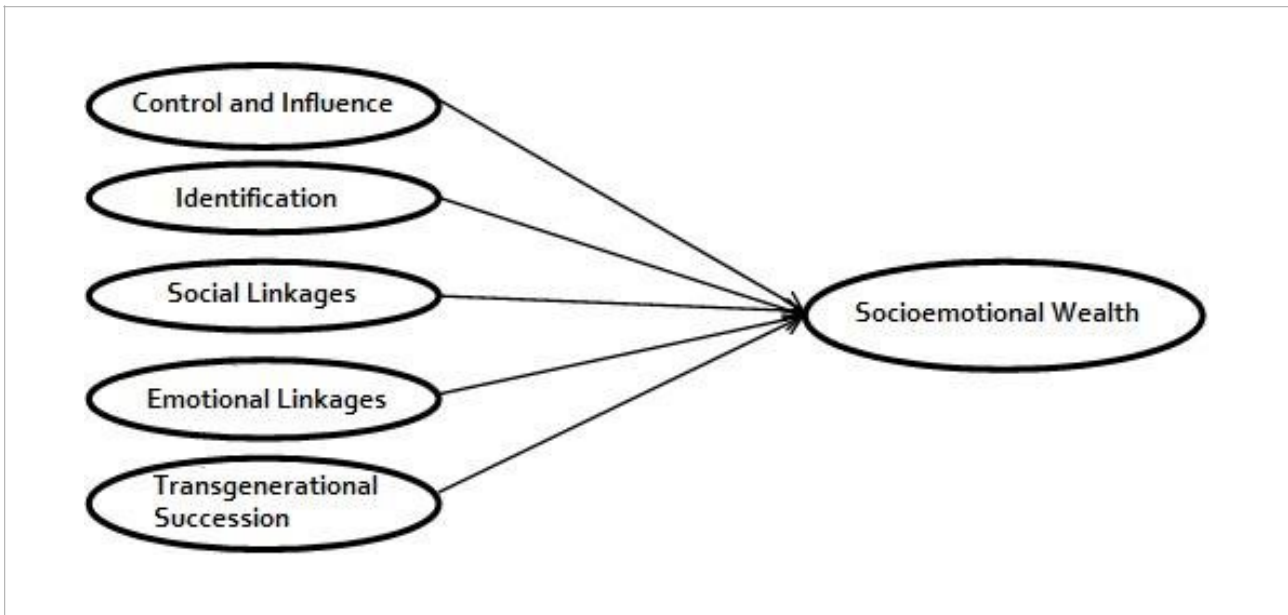


Figure 13: Socioemotional wealth (SEW) model and its 5 dimensions (Adapted from Berrone et al., 2012).

Hence, the SEW literature has focused extensively on identifying family businesses’ motives and preferences for intra-family succession. Given that succession by family members may lead to a decline in family business performance (Pérez-González, 2006; Villalonga and Amit, 2006), it is reasoned that a preference for family succession is driven by non-financial factors. Indeed, SEW preservation is an important explanation for family businesses’ preference for a next-generation family member to take over leadership of the family-owned enterprise (Gómez-Mejía et al., 2011). Accordingly, SEW theory sees intergenerational and perhaps even dynastic family strategies as aimed at securing the inheritance of FF.

Therefore, we use the concept of SEW to analyse women’s goals. In this regard, we question the idea that the goal of women on corporate boards is to ensure the renewal of family bonds through dynastic succession. Drawing on SEW theory, our dissertation examines how women’s goals influence succession, and how this relationship is moderated by two dimensions of SEW: binding social ties, because it is important to the FF to build and to preserve strong relationships with all the stakeholders (B); and renewal of family bonds to the firm through dynastic succession, given the importance of the perpetuation of the family dynasty (R).

Figure 14 posits the theoretical framework for each secondary research question.

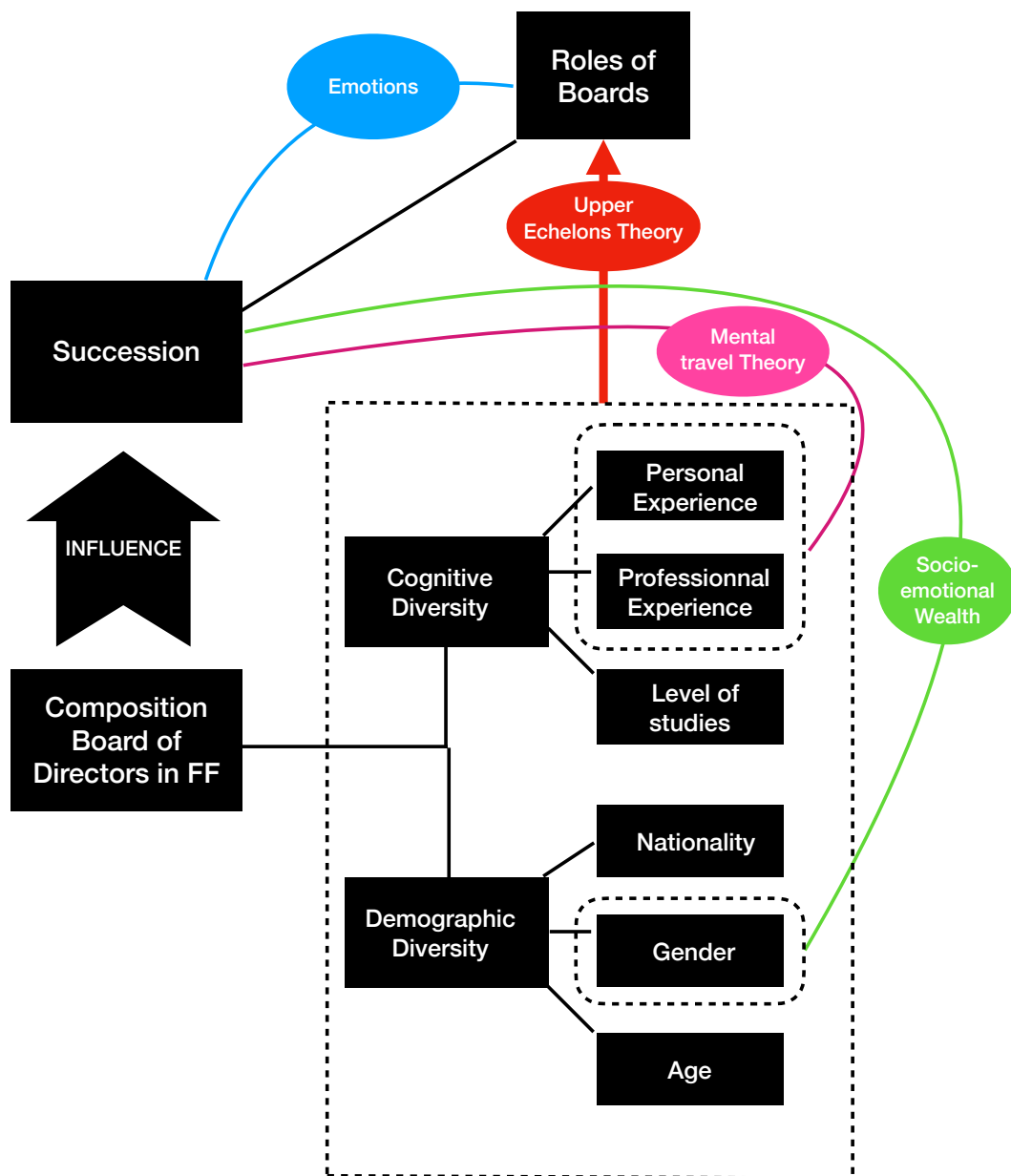
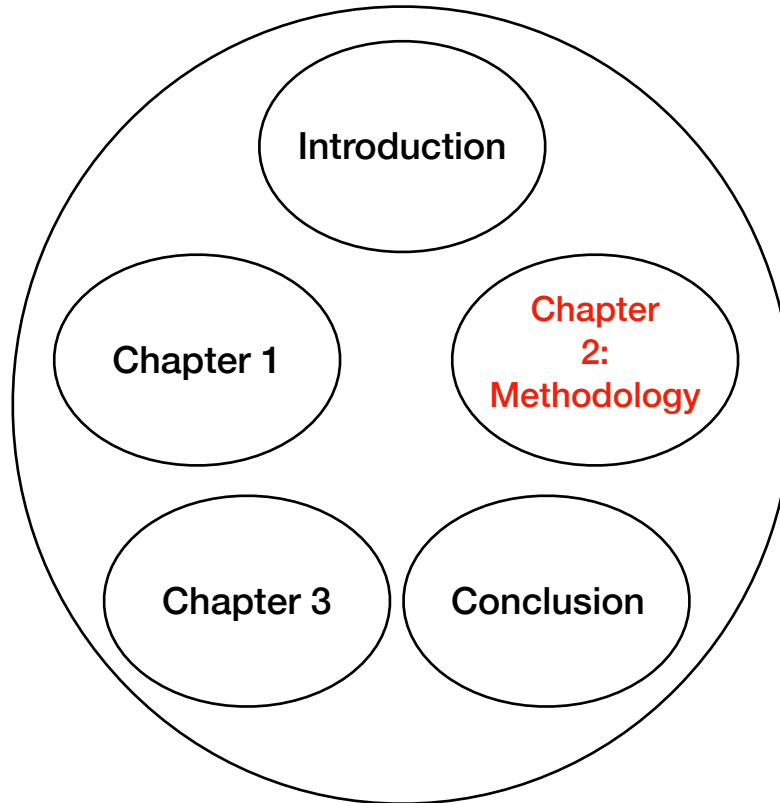


Figure 14: The theoretical framework in our research model

After having discussed the theoretical frameworks of the dissertation, the methodology is presented in the following.

# Chapter 2: Methodology

## Ist PART



All scientific research is based on a world vision, follows a methodology and offers elements of response (Jolibert and Giordano, 2008). The use of an appropriate research methodology to conduct research is dependent on the nature of the study and the objective pursued by the researcher, which constitutes a real challenge. Therefore, the choice of the methodology must take into account the subject itself, the existence of multiple methods and the factors that lead to the choice of a particular method. This chapter includes the research methodology of the dissertation. In this part, we outline the research strategy, the research approach, the research mode of reasoning, the methods of data collection, the selection of the sample, the research process, the type of data analysis, and the research limitations of the project. However, we aim to start with the experience of the researcher which is the source of inspiration and guidance of this dissertation.

### 2.1. The experience of the researcher

The researcher's values can influence how the researcher interprets the data and results (Saunders, Lewis and Thornhill, 2009). It is relevant to mention the involvement of intuition (Kump, 2021) and admit the role of the researcher's experience and intuition in the research process (Fendt and Sachs, 2008). I acknowledge that my experiences and my values have guided my research. I have tried to prove in a certain way that 'What I am influenced by what I do' and I would like to present the source of



my inspiration. I was born in Lebanon and lived through the Lebanese civil war that scarred the country from 1975 to 1990 and the following crises. What I do today is inspired by who I am. The twenty-seven years I spent in Lebanon have influenced my way of being.

Therefore, it is relevant to describe the environment in which I lived in Lebanon. No references have been mentioned because the following is a description of my experience and perception. This country have been suffering from repeated crises and wars for decades, even hundreds of years. I would say that Lebanese were born under this star that is darkening, but that continues to twinkle. Lebanon is experiencing tragedies due to its turbulent history and especially to the geography that has placed it at a geo-strategic crossroads that powers and empires have always coveted. Land of refuge for the oppressed, the Lebanese mountains have always welcomed minorities fleeing wars and genocides. Beirut had also been a heaven for political opponents and objectors who found in this cosmopolitan city a centre that allowed them to express themselves freely, but also for businessmen to trade with the Western world and the Arab hinterland.

The Lebanese is the heir of this geography and history. He has a unique personality. For generations, he has emigrated to lands unknown to him, has criss-crossed the two Americas, Africa, Europe, Australia, and even Asian countries to survive and subsist. Lebanon has four million inhabitants, but more than twice as many emigrants who left generations ago and built dual existences in the various host countries. Some have risen to the highest positions of the state, built financial empires. Others have succeeded brilliantly in finance, medicine, the arts, fashion, literature and music.

The Lebanese are resilient because over time they have become a second nature. Since the Phoenicians, Lebanon has been devoted to trade and commerce. As a crossroads of civilisations, it was the only country in the Middle East to host schools and foreign missions that allowed for an unparalleled cultural influence. The average Lebanese speaks at least two languages and even three, which has allowed him to integrate easily and even naturally in the various countries of emigration, especially in America and Africa.

The Lebanese is in permanent survival mode. The instability in which he has lived and continues to live has given him a second nature. He is a hard worker, who often does the work that others neglect. He knows how to anticipate and above all take risks and initiatives that have enabled him to identify opportunities and openings in a wide range of fields. Innovative and creative, the Lebanese is certainly a unique case, endowed with a rare personality.

Like many of my compatriots, I have integrated this unique personality that the history and geography of my country have contributed to shape. So, in a few words, the resilience of the Lebanese means: survival instinct, entrepreneurship, risk-taking, will, perseverance, adaptation, integration, anticipation, creativity and flexibility. Individually, the Lebanese have learned to adapt and face difficulties. This is what makes us unique as individuals.

After telling the story of the environment where I have lived, it is relevant to confirm that it has shaped my research. My dissertation is grounded on the importance and the richness of the persons and particularly those composing the FF. The FF is certainly a business, but it is above all made up of humans who enable it to exist in the first place. We could approach it only from an economic angle, but we argue that it would be insufficient, given the crucial role of human in its functioning. We consider that human are a valuable resource to the FF. When we aimed to deepen our

knowledge in the composition of the Board of Directors of FF, the objective was to ascertain who are the directors in the boardroom and to observe if their identity influence the succession and particularly the choice of the successor.

Therefore, after presenting the experience that have guided our research, it is relevant to describe our research strategy.

## **2.2. Research strategy**

Research strategy is of extreme importance while conducting the research (Yin, 1981). It enables us to choose the right data collection and the appropriate analysis procedure for our research. The question that arises is what approach to use to collect and analyse the data. In other words, how will we approach the empirical dimension of our research? In this section, we will first examine the difference between the qualitative and quantitative approaches. We will then specify the approach we have chosen and the reasons for this choice.

It is traditional in research to distinguish between the qualitative and the quantitative (Grawitz, 2000). This distinction is a consequence of the subject/object dualism. The two approaches correspond in fact to different levels of research in the apprehension of the structural characteristics of organisations. Indeed, by focusing on the object, the interest is rather on the organisational structure, while by focusing on the subject, the interest is more on the individual within the organisation (Chevalier- Kuszla, 1999). Both approaches are useful in understanding the social complexity within the organisation (Giddens, 1987).

‘The aim of qualitative research is mainly searching for understanding more about situations from the viewpoint of the research participants, and without trying to control anything’ (Farghaly, 2018, p. 6). Qualitative research has a comprehensive focus. This is characterised by two aspects: it seeks to understand how actors think, speak and act, and it does so in relation to a context or situation (Dumez, 2011). In qualitative approaches, the focus is on the actors and not on the variables. Qualitative research presupposes that we see (problem of description - Dumez, 2010a) the actors thinking, speaking, acting and interacting, cooperating and confronting each other.’ Quantitative research allows for better testing of theories or hypotheses. Quantitative research is appropriate when there is an already well-recognised theoretical framework. Quantitative research very rarely converges on a single framework, it often proposes several. They must then be compared and combined’. (Translated Giordano and Jolibert, 2016, p. 9). Thus, in quantitative approaches, the focus is on the variables, and the actors only really appear when the variables fail to explain a phenomenon.

It is customary to emphasise that qualitative approaches are better suited to 'why' or 'how' questions. In the same vein, quantitative approaches are more suited to answering 'what' questions. Qualitative research encompasses a wide range of investigative techniques that aim to describe and analyse actions and interactions (behaviours) by taking into account the intentions of the actors: 'it seeks to understand how actors think, speak and act, and it does so in relation to a context or situation'. It produces 'rich descriptions' that answer the questions 'how?' and 'why?' (Dumez, 2011, p. 48-49).

Figure 15 (Adapted from Merriam, 1989 and Yin 1985) details the points of comparison between the qualitative and the quantitative research. It confirms our choice regarding the research strategy because it allowed us to observe human characteristics in detail. It permitted to dive and observe the richness of the human beings who composed the board of directors in FF.

<i>Point of comparison</i>	<i>Qualitative research</i>	<i>Quantitative research</i>
Focus of research	Quality (nature, essence)	Quantity (how many, how much)
Philosophical roots	Phenomenology, symbolic, interaction	Empiricism, logical positivism
Associated phrases	Fieldwork, ethnographic, naturalistic, grounded, subjective	Experimental, empirical, statistical
Goal of investigation	Understanding, description, discovery, hypothesis generating	Prediction, control, confirmation, hypothesis testing
Design characteristics	Flexible, evolving, emergent	Pre-determined structure
Setting	Natural, familiar	Unfamiliar, artificial
Sample	Small, non random, theoretical	Large, random, representative
Data collection	Researcher as primary instrument, interviews, observations	Inanimate instruments (scales, tests, surveys, questionnaires, computers)
Mode of analysis	Inductive (by researcher)	Deductive (by statistical methods)
Findings	Comprehensive, holistic, expansive	Precise, narrow, reductionistic

Adapted from Merriam, 1989; Yin, 1995.

Figure 15: Comparison between the qualitative and quantitative.

Thus, Kammerlander and De Massis (2020) stated that ‘qualitative research should be used in order to capture the individuals’ lived experiences and interpretations as well as the human interactions that constitute real-life organisational settings in order to understand complex issues’ (p.9). In our study, we argue that the method to be used is the one with a research approach that is more apt to capture the specific complexity and dynamics unique to family businesses.

Researchers have shown that the qualitative methods are more suitable for the human diversity in the FF and the complexity that characterise FF (Melin and Nordqvist, 2007; Nordqvist et al., 2009; Fletcher, 2014; Reay and Zhang, 2014; Zellweger, 2014). ‘Qualitative inquiry is particularly appropriate for understanding contradictions, tensions, paradoxes and dualities in family businesses because they endeavour to capture the individualised, relational, processual and contextual nature of a phenomenon’ (Fletcher et al., 2016, p. 3). These methods are more concerned with understanding activities as they occur in practice in the nuanced and complex social realities of family firms. Carrying out qualitative research methods allow researchers to have a close contact with the ‘real world’ and the possibility to have in-depth knowledge of the family businesses that cannot be obtained by any other means (Kammerlander, De Massis, 2020). Kammerlander and De Massis (2020) have described the advantages of qualitative methods in family business research. FF present a rich and interesting context to study processes and mechanisms in a qualitative manner (Fletcher et al., 2016). The use of qualitative research methods provides with relevant knowledge about thus far un-investigated processes (Kammerlander and De Massis, 2020).

However, the research strategy should be complemented by the research approach. In fact, scientific evidence is essentially made up of shared meaning which is born of the confrontation of what we call 'reality' with a certain number of references serving as a decoding project (Mucchielli, 1995). One of the main referents constituting this apprehension of 'reality' in order to transform it into a 'scientific representation' is the so-called 'paradigm' which will be explained in the following. Finally, we have chosen the qualitative approach because we have decided to go into contact with the actors in FF and to build a theoretical approach from this contact.

## **2.3. Research approach**

This thesis adopts a pragmatist approach as to its research approach. In doing so, it doesn't use a unique paradigm for the whole dissertation ; rather, it acknowledges that the three traditions can provide useful tools for research (Johnson, Onwuegbuzie and Turner, 2007). We describe the three traditions.

### **2.3.1. The positivism philosophical paradigm**

'Positivism seeks to explore social reality, it is concerned with discovering the truth and presenting it by empirical means' (Henning, Van Rensburg and Smit, 2004, p. 17). Thus, positivism views human behaviour as passive, controlled and determined by the external environment. However, positive knowledge is based on natural phenomena and their properties and relationships, which are interpreted through logical reasons and observations. Positivist researchers adopt the scientific method as a means of generating knowledge, since positivism is generally characterised by two principles: reality has an essence of its own and reality is subject to universal laws. Positivism is associated with objectivity (the observation of the real object). As Auguste Comte, the founding father of the movement, points out, positivism 'considered first of all in its oldest and most common sense, the word positive designates the Real as opposed to the chimerical' (Auguste Comte, 1844, quoted by Le Moigne, 1990: 91).

Comte (1908) specifies that experimentation, observation and reason based on experience should be the basis of understanding human behaviour and, therefore, the only legitimate means of the only legitimate way to extend knowledge. In other words, the positivist paradigm asserts that real events can be observed empirically and explained with logical analysis. The criterion for the validity of a scientific theory is whether the claims about knowledge (i.e. predictions based on a theory) are consistent with the information we can obtain (Dehbi et al.2019).

### **2.3.2. The constructivism philosophical paradigm**

Constructivism is based on subject-object interaction, research is 'no longer defined by its object, but by its project' (Le Moigne, 1995, p. 119).

Constructivism is the recognition that reality is a product of human intelligence in interaction with the experience of the individual with real world. Honebein (1996) describes the constructivism philosophical paradigm as an approach that asserts that people construct their own understanding and knowledge of the world through experiencing things and reflecting on those experiences. It is based on the analogy or basis that people form or construct much of what they learn through experience (Hein, 1991). Thus, to the constructivist, constructing meaning is learning; there is no other kind. However, to the constructivist, learning occurs only when the learner discovers the

knowledge through the spirit of experimentation and doing (Kalender, 2007). As soon as the researcher includes human mental activity in the process of activity in the process of knowing reality, researchers have accepted constructivism. Furthermore, constructivism accepts reality as a construct of the human mind. Reality is therefore perceived as subjective. Furthermore, this philosophical approach is closely associated with pragmatism and relativism. The philosophy of constructivism is based on cognitive psychology. Nevertheless, the popularity of constructivism as a perspective in epistemology has increased in recent years. In this respect, Jean Piaget (1970) is referred to as the father of the philosophical paradigm of constructivism. This is largely due to the fact that he led the formalisation of constructivist theory by providing a remarkable explanation of the mechanisms by which researchers internalise knowledge to help them construct their knowledge.

Constructivist research aims to understand particular situations or phenomena. Rich data are gathered from which ideas can be formed. However, constructivists argue that human beings construct their own social realities. The latter is subjective and experiential.

### **2.3.3. The interpretive philosophical paradigm**

The interpretive paradigm aims to understand how the researcher constructs the meaning he or she gives to reality. The position of interpretive in relation to epistemology is that interpretive researchers believe that reality is multiple and relative (Cherkaoui and Haouata, 2017).

However, interpretive researchers avoid rigid structural frameworks such as those used in positivist research and adopt more personal and flexible research structures (Carson, Gilmore, Perry and Gronhaug, 2001). Therefore, the goal of interpretive research is to understand and interpret the meanings of human behaviour rather than to generalise and predict cause and effect (Cherkaoui and Haouata, 2017). For an interpretive researcher, it is important to understand motives, meanings, reasons and other subjective experiences related to time and context (Neuman, 2007). Interpretive approaches give research the opportunity and freedom to address issues of influence and impact and to ask questions such as 'why' and 'how' particular technological trajectories are created (Avenier, 2011).

Figure 16 (Gough, 2002, p.6) compares the three paradigms. We conclude that the project of positivism is to explain reality, that of interpretive is to understand that reality and that of constructivism is to construct it. The significant difference between the paradigms is particularly in the implication of their consequence in the conduct of research. Thus the philosophical position is seen in terms of determining the research method that we have employed.

	Ontology	Epistemology	Methodology
Positivist	Stable external reality Law-like	Objective Detached observer	Experimental Quantitative Hypothesis testing
Interpretive	Internal reality of subjective experience	Empathetic Observer intersubjectivity	Interactional Interpretation Qualitative
Constructionist	Socially constructed reality Discourse	Suspicious Political Observer constructing versions	Deconstruction Textual analysis Discourse analysis

Figure 16: Positivist, interpretive and constructionist paradigms (Gough, 2002, p.6)

### 2.3.4. Research approaches of the articles in the dissertation

Our dissertation is composed of four articles and a chapter which allowed us to answer the main research questions. The articles have followed different paradigms because the latter has been chosen according to the different secondary research questions.

Papers 1, 2, 4 and the chapter follow an interpretive approach. As defined by Burrell and Morgan (1979), interpretive research involves investigating phenomena and interpreting reality in ways that reveal new theoretical and practical understandings. Hence, interpretive research uses an iterative process, where the researcher goes back and forth between the theoretical framework and the empirical material gathered to extend and build new theoretical insights (Parada, Nordqvist and Gimeno, 2010). This approach is particularly useful to provide insights into the specific challenges facing family businesses (Nordqvist, Hall, and Melin, 2009). In fact, in Paper 1, the objectives are to investigate how diversity in medium-sized FFs influences board roles. Diversity affirms the existence of different characteristics and experiences that reflect a variety of individuals. Our aim is to observe the intersection and integration of the diversity of directors on the boards of FFs in order to offer a more comprehensive picture of the functioning of demographically and cognitively diverse individuals. In Paper 2, the objective is to investigate the influence of different experiences related to the directors on the boards of FFs in order to offer a more comprehensive picture of the contributions of diverse individuals and to observe how they influence the choice of the successor in FF given the fact that directors' experiences, knowledge, and values shape their choices (Hambrick, 2007). In Paper 4 and the Chapter, we seek to understand the role emotions plays in the choice of the successor. Thus, in taking an interpretive position, we are keen to gain access to, detail and understand how incumbents interpret and make sense of their emotions and the role of emotion in choosing their successor. We aim to raise awareness of their emotions, which could help them control their emotions better and prepare for succession planning.

Finally, Paper 3 follows a constructivist approach. According to this approach, humans generate knowledge and meaning from an interaction between their experiences and their ideas (Hein, 2007). As a theory of learning, constructivism is relevant in this study as we wished to analyse the complexity of women's experiences within FFs and to understand how female participation matters. We seek to deepen the understanding of goals of women on FF boards, which lead to changes in behaviour, decisions and actions. We aim to explore if women's involvement in the boards of directors of FFs matters for succession.

Articles	Secondary Research questions	Research Paradigm
<b>Article 1:</b> Who I am affects what I do: How does diversity among the directors of medium-sized family firms influence board roles?	How does demographic and cognitive diversity directors affect their behaviour and how does it influence their roles in the boardroom of FFs?	Interpretetivism
<b>Article 2:</b> The choice of successor in family businesses: the influence of directors' past experiences.	How does directors' experience have an impact on the choice of the successor in FFs?	Interpretetivism
<b>Article 3:</b> Women's involvement in the boards of directors of family firms through the lens of socio-emotional wealth	How women's goals influence succession and how this relationship is moderated by two dimensions of SEW: binding social ties (B); and renewal of family bonds to the firm through dynastic	Constructivism
<b>Article 4:</b> Une succession familiale, que d'émotions!	En quoi les émotions peuvent-elles nous permettre de mieux comprendre le processus de succession dans les entreprises familiales ?	Interpretetivism
<b>Chapter:</b> Emotions in Family Business Succession (chapter)	How emotions influence the reasoning of the incumbents when preparing for succession planning and choosing a successor?	Interpretetivism

Table 3: The choice of the research paradigm in each article.

After explaining the different paradigms which have lead our research approach, we have also relied on elements of reasoning that explore, discover, and produce explanation during the research process. The following will present the modes of reasoning.

## 2.4. Modes of reasoning

Before determining the mode of reasoning we have followed in each article of this dissertation, it is useful to briefly discuss the three most common modes of reasoning in management science: abductive, inductive, and deductive reasoning.

## **2.4.1. Presentation of the modes of reasoning**

### **- Induction**

Induction is the process of moving from the particular (observed facts, singular cases, experimental data, situations) to the general (a law, a theory, general knowledge) (Morfaux, 2011). By definition, induction is 'a conjectural inference that concludes: 1) from the observed regularity of certain facts to their constancy; 2) from the observation of certain facts to the existence of other facts not given but which have been regularly linked to the former in previous experience' (Morfaux, 2011, p. 265). In other words, it is a generalisation based on a reasoning that moves from the particular to the general, from facts to laws, from effects to causes and from consequences to principles. In the proper sense of the term, induction only occurs if, by verifying a relationship (without proving anything), on a certain number of concrete examples, the researcher assumes that the relationship is true for all future observations.

### **- Deduction**

Deduction is primarily a means of demonstration (Grawitz, 2000). It is characterised by the fact that if the assumptions initially made (premises) are true, then the conclusion must necessarily be true. Deduction is the almost opposite process of concluding (deducing) an assertion from assumptions, premises or a theoretical framework: conclusions are formally derived from these premises or theory (Martin, 2012).

### **- Abduction**

Abduction involves forming a conclusion from the information that is known (Magnani 2014, 2015a). Koenig (1993), building on Blaug's (1982) conception, posits a definition of abduction that makes sense for management research: 'Abduction is the operation which, not belonging to logic, allows to escape from the chaotic perception of the real world by trying to conjecture about the relations that things actually have [...]. Abduction consists in drawing conjectures from observation which must then be tested and discussed.' (translated, Koenig, 1993, p 7). Indeed, like induction, abduction is constituted from a series of past experiences, but it differs from it in that it does not impose an identity of cases in the series that leads to the rule. Similarly, abduction is similar to deduction in that, like deduction, it is concerned with our conceptual understanding of things (Yu, 1994), but it is also distinct from it in that it produces new knowledge. In the end, and despite these few common features, abduction turns out to be an argument that responds to a logic of its own, and that is why, for Peirce, it is independent of the other two inferential poles. More precisely, its function is to allow the researcher to begin the path leading to the fixation of new beliefs-habits (or knowledge), while deductive and inductive inferences will assume the roles of justification and verification.

Therefore, the mode of reasoning depends first on the research question and second on how are we going to answer this research question. If we start with the theory and then collect and analyse the data to create a model, then we are following a deductive mode of reasoning. If we start with the data to theorise, we are following an inductive mode of reasoning. When we explore a complex context, with various observations which are at first sight surprising, we try to structure these



observations to produce meaning in order to propose new and valid theoretical conceptualisations, we are proceeding by abduction (Thornberg, 2012).

## 2.4.2. Reasoning mode of the articles in the dissertation

### - Abductive reasoning

Our articles 1, 2, 3 and 4 follow a mode of abductive reasoning (Koenig, 1993, p.7) for two main reasons. In the first place, we are part of an exploratory process, aimed at improving the understanding of complex phenomena and the specificity of their object (Huberman and Miles, 1991). Secondly, we are not situated in a knowledge-free context since we already have theoretical support that can help us. By abduction, we try to approach the phenomenon to study with a minimum of ideas preconceived in order to ‘let the field speak’; that is to say, trying to make ourselves as receptive as possible to the reality that emerges from our observations.

This approach is important as there are often an infinite number of possible explanations for a given phenomenon. Abductive reasoning usually starts with an incomplete set of observations and leads to the most likely explanation for the group of observations. It is based on the formulation and testing of hypotheses using the best information available. It is typically used as the process of looking for an explanation for a surprising observation (Aliseda, 2006; Magnani, 2001).

Figure 17 explains the three main reasoning modes: Deduction, induction and abduction. ‘A deductive argument claims that if its premises are true, its conclusion *must* be true. An inductive argument claims that if its premises are true, its conclusion is *probably* true. The conclusion of an abductive argument is merely the *best explanation we know of*’ (Mcgregor 2014, p.4).

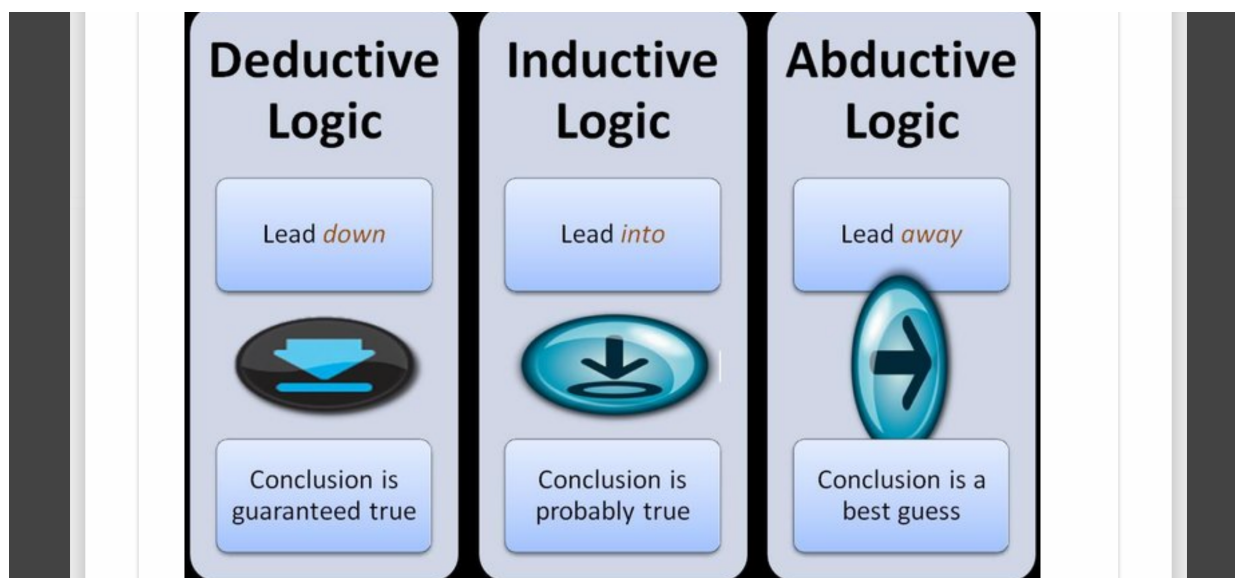


Figure 17: Induction, deduction, and abduction (source: Mcgregor 2014).

At this stage, it is relevant to describe our research method: the case study which is widely recognised in many social science studies especially when in-depth explanations of a social behaviour are sought after (Zainal, 2007).

### **3. Case Study Method**

The case study approach as a research method is appropriate for the description, explanation, prediction and control of the processes inherent in various phenomena, whether they are individual, group or organisational (Woodside et al. Wilson, 2003). The combination of these four ends is also possible. This research method provides an in-depth analysis of the phenomena in their context, to offer the possibility of developing historical parameters, to ensure a strong internal validity, that is to say that the phenomena observed are authentic representations of the studied reality. In short, it is a method that is apt to capture the specific complexity and dynamics unique to family businesses. Case study research represents a much broader view. It means conducting an empirical investigation of a contemporary phenomenon within its natural context using multiple sources of evidence (Yin, 2003).

Kontinen et al. (2012, p.3) stated ‘Case studies have a great potential in providing a deeper understanding of the area of family business. Additionally, case study research may contribute not only to developing a deeper understanding through theory building but also may leverage current knowledge in the field through theory refinement or testing cases’ (Wel, Piekkari, Plakoyannaki and Paavilainen-Mäntymäki, 2011). Piekkari, Welch, and Paavilainen, (2009, p. 568) argue that ‘understanding the case study requires going beyond methodological texts and coming to grips with how it is practiced in a particular disciplinary context’. Having chosen an exploratory study, we argue that a multiple case study approach is the most appropriate. The final sample consists of ten medium-sized cases and is consistent with the four-to-ten case scale proposed by the case study methodology (Eisenhardt, 1989), considered appropriate to reach theoretical saturation (Eisenhardt, 1989).

#### **3.1. Selection of cases**

For our research, we adopted the definition of FFs proposed by Litz (1995): ‘a business firm may be considered a family business to the extent that its ownership and management are concentrated within a family unit, and to the extent its members strive to achieve and/or maintain intra-organisational family-based relatedness’ (p. 78). This definition is in line with one cited in the introduction of this dissertation. We were introduced to 30 FFs through our contacts; these contacts knew the chairman and/or the CEO of the FFs. However it was difficult to convince FF to dedicate time to our research project and to gain access to the board members. We had two main obstacles: the confidential nature of the information relating to family businesses and covid 19, which prevented us from travelling physically to conduct the interviews in situ and observe the reactions and interactions of the board members. Ten firms agreed to participate in our research project. Our sample is drawn from two countries: France and Switzerland. In our research, we aim to explore the impact of diversity, the demographic (age, gender, nationality) and the cognitive diversity (level of studies, professional and personal experiences) in boards on a sample of medium sized FF. In seeking potential cases, different criteria were required.

### - The size of the FF

The first condition to be met was the size of the FF. We chose medium-sized FFs because of the gap in the literature related to this category of FFs (Heinicke, 2018). In the European Union, medium-size companies are those with 50 to 250 workers and annual revenues of less than €50 million (about \$56 million as of mid-2019, European Commission 08/09/2020).

The context of private medium-sized FFs is particularly appropriate for studying and observing the impact of diversity in boards. Private medium-sized FFs correspond to the definition adopted by the literature. They are typical FFs with a concentrated shareholder base and family member insiders who are active in management and on the board (Heinicke, 2018).

### - The existence of a board

When we were choosing the family businesses of our sample, we wanted to find FF having a legal structure with a Board of Directors. Indeed, two legal structures should have a Board of Directors according to the French Law. The Board of Directors is a body specific to public limited companies (SA) and simplified joint stock companies (SAS), but the latter are not obliged to create one. One of the FF of our sample, has the legal structure of a simplified joint stock companies (SAS) which have a diverse top management team but not necessarily a board of directors (case 3). The consequence for our dissertation is that in this legal structure, we didn't have a board of directors but a management team. We have decided to include this category of FF even if they didn't have a board of directors. In the FF having this legal structure, the father was the chairman of the board and the CEO was the daughter. Furthermore, the condition of having demographic and cognitive diversity was fulfilled.

### - Diversity of directors

Concerning board composition, literature focus on the percentage of family directors and non-family directors (Voordeckers, Van Gils and Van den Heuvel, 2007) and whether family directors are affiliated or not (Basco and Calabrò, 2017). However, we aim to go beyond the traditional distinction between inside and outside boards. As mentioned before, we were looking for demographic diverse directors (Age, gender, nationality) and cognitive diverse directors (level of studies, professional and personal experiences) in the boardroom of FF. We couldn't find in our sample a diversity of nationality within the board. So this criteria has been forgotten from our problematic.

### - Succession process

An additional criterion for case selection was that the FF was preparing for, or thinking about the succession process and/or trying to choose a successor. This element was able to highlight one of the role devoted to the board of directors which is to prepare the succession. In addition, it could capture the goal orientation of the family and the directors in the boardroom.

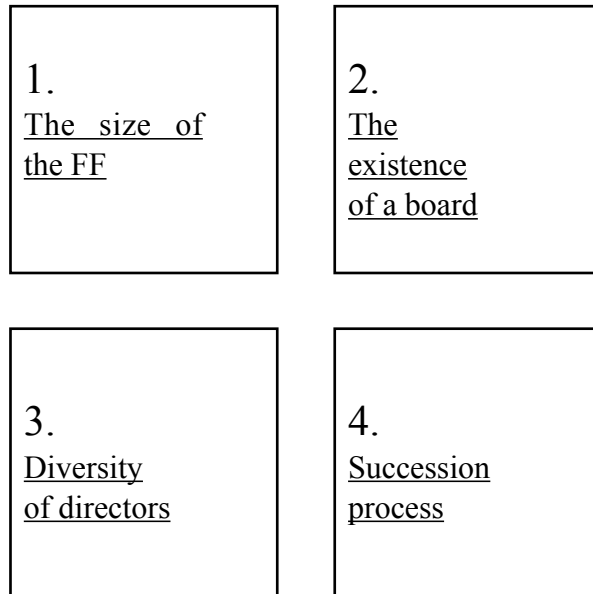


Figure 18: Criteria for case selection

The medium-sized family businesses work in different economic sectors.

### 3.2. Data collection

The methods used to collect data are observation, non-directive or semi-directive interviews, recordings - analysis of the ‘way of saying’- and textual analysis -understanding of the categories used- (Hlady-Rispal, 2002: 30). When conducting case study research, various sources of information can be used (Eisenhardt, 1989; Thomas, 2011); It is an advantage since it allows us to combine data from different sources (Yin, 2009). The main source of information to conduct the case studies were collected through interviews. Due to the Covid 19, we couldn’t make any physical observations: we couldn’t visit the FFs, the interviews were performed by phone or by zoom, and secondary data have been collected from the FFs’ websites.

The first step in our data collection, was to compile as much information as possible about the FFs interested in our research project. We have looked for their websites, and newspaper articles about events related to these FFs, in order to gain a better understanding of the chosen FF.

The second step was to collect data via interviews. According to Picken (2017), the interview is a common data collection method that can obtain a high standard of qualitative data. The interviews, which were recorded and transcribed, enabled us to support our argument and recommendations. We used one interview guide to ensure that all elements of the conceptual framework were covered. The guide was inspired by our literature review on the composition of boards of directors in FFs, it was also used in a larger research project. The interview guide (see Appendix) and the research project were sent in advance to the interviewees.

The interview guide is comprised of five parts: (1) general questions about the firm, history, number of generations, shareholders, governance and composition of the board of directors; (2) specific questions about the board of directors' role and their discussions and decisions; (3) specific questions about the personality and the behaviour of each director, as viewed by the other directors; (4) questions to enable directors to introduce themselves, which cover age, professional and personal experiences, motivations, decisions, choices, interests and behaviour; and (5) questions covering emotions experienced by directors during board meetings, including how these were managed and what influence these had.

The first part highlights the history of the FF, its evolution with time, its governance... Through the story that the interviewees were telling, we aim to know their perception of the events. They were remembering the past events in detail and trying to describe all the way which lead them to the present situation. They were coherent and authentic in their discourse, we have not noticed any variance in the content of stories (Kammerlander et al. 2015).

The second part focuses on the board of directors. We aim to know what were the real functions of the board, if there were a real discussion or debate and how decisions were taken. The relationship among directors and between the board and the chief executive were relevant to permit full and frank discussions of the crucial issues that face the firm (Astrachan et al., 2020).

The third part contains questions about the directors in the boardroom, their behaviour, their personality as perceived by the other members. Our objective was to underline the importance of the directors of the board for a FF's strategic behaviour and choices (Hambrick and Mason, 1984) and particularly in the succession process- when choosing the successor.

The fourth part aims to have a deeper knowledge of each interviewed directors. We aim to encompass information included in demographic and cognitive diversity. These diversities have the potential to provide the directors with different types of knowledge and decision-making styles and a greater variety of professional perspectives (Koryak et al., 2018). Each director was invited to talk about himself, his identity and how it is linked to his perception of the succession process.

Finally, the last part is devoted to emotions. FF are concerned with emotions (Cohen and Sharma, 2016 ). We aim to enhance our understanding of emotions and their influence among directors and between the board and the chief executive and on the succession planning process (Radu-Lefebvre and Randerson, 2020).

We conducted 23 semi-structured interviews by phone or Zoom with the CEO and some members of the board. Each respondent was interviewed once, and the interviews lasted between 40 minutes and 2 hours. These interviews allowed us to benefit from the interviewees' knowledge of the organisation, their attitudes towards governance diversity in the company and to gain a deeper knowledge of their personal and professional characteristics and the contributions of each board member, their behaviour, their choices. These interviews provided subjective perceptions, which is consistent with other qualitative research in family businesses (Nordqvist et al., 2009), delivering points of view that offer explanatory potential regarding the goals of our dissertation. We did not interview all board members, we interviewed those who were available and accepted to answer our questions. Those interviewed were selected and introduced to us mainly by the chair and comprised family and non-family members and affiliated and non-affiliated members. Furthermore, we experienced great difficulty in accessing FFs and board members. Understandably, FFs are cautious

about sharing sensitive, personal and confidential information. When we asked about succession planning, we felt in some cases that it was a sensitive subject as if we were digging the chairman grave or preparing for his own death.

Interviews were registered and transcribed, and the data were coded according to categories inspired by the literature analysis. We compiled these categories according to key variables to facilitate interpretation of results. In total, twenty three semi-structured interviews were completed (Ten cases). This information will be detailed in the case description below. For confidentiality, names have been modified.

### **3.3. Data coding and analysis**

All interviews were conducted by us, registered and have delivered points of view that allowed us to highlight some elements of the research question in relation to the data previously reported in the literature. The questions about the firm and the functioning of the board have enabled us to find out about the roles played by the board members we interviewed. In addition, we wanted to obtain a deeper knowledge about the contributions of each director.

As previously mentioned, we aim to discover who they are? what were their goals? when they integrated the FF and particularly the board of Directors? Some respondents limited themselves to answering these questions while others provided more details, talking about their private lives their families and their personalities. In answering our questions, they shared their personal experiences with us, speaking about personal events that have marked them and that influence their behaviour. They recalled events, situations or conditions that have impacted on their lives and influenced their choices and behaviour, for example, death, illness, financial difficulties, relationship problems and violence. They talked about the presence of certain people in their lives who have influenced them, either as role models or as challenges. Some respondents also highlighted their professional experiences and the contribution of these experiences to their choices. This was a very enriching part of the interview for us.

For reasons of confidentiality and given that the interviewees entrusted us with personal information, it was agreed with the FF in our sample that the contents of the interviews will not be disclosed and will therefore not be attached to this dissertation. We transcribed the interviews in order to examine the information obtained and identify its relevance in the context of our research. We began by reading the transcripts. Then, we coded the relevant items by actions, activities, studies, experiences, personal backgrounds and differences, to suggest the concepts that explain the phenomena under observation. We tried to counter any possible bias by not deviating from the data – the transcripts. The next step was to create categories by amalgamating several codes. The manual codification of the mass of information collected has allowed us to classify, compile, thoroughly analyse and cross-check the data and components under study, thereby facilitating the interpretation of results. Thus, we have used Gioia (2001) approach which is built upon the scientific tradition of using qualitative data designed to generate theory rooted in the data. According to Corley and Gioia, (2011) ‘Theory is a statement of concepts and their interrelationships that shows how and/or why a phenomenon occurs’ (Corley and Gioia, 2011, p. 12).

In order to build a data structure which will help us organise our findings, we shall first start with identifying the recurring terms and concepts of the informants in order to build first order categories. In the 1st-order analysis, we tried to adhere faithfully to informant terms. We have

attempted to create categories and give them labels. In this second order analysis, we have wondered whether the emerging themes suggest concepts that might help us describe and explain the phenomena we are observing. Once the themes and concepts were identified, we investigate whether it is possible to go further with the second order themes into aggregate dimensions. That's how we build our data structures which show a graphic representation of how we progressed from interviews data to concepts and themes in conducting the analyses which is a key component of demonstrating rigour in qualitative research (Pratt, 2008; Tracy, 2010). Hence, Gioia stated: 'When all the first-order codes and second-order themes and dimensions have been assembled, I then have the basis for building a data structure. This is perhaps the most pivotal step in the entire research approach, because it shows the progression from raw data to first-order codes to second-order theoretical themes and dimensions, which is an important part of demonstrating rigour in qualitative research' (p.286).

At this stage, it is relevant to describe the cases which were the source of our raw data.

### **3.4. Description of the cases**

The cases used for each article are described below.

Case 1 is a third-generation French family business, having been founded in 1946 by the grandfather of the current chair. The company operates in the distribution sector, and is a national leader in the rental and leasing of industrial vehicles and trucks with drivers. The family holds approximately 92% of the capital. In October 2019, the current chair of the board of directors stepped down as CEO, and his son succeeded him in this position. The board comprises three independent members (unrelated to the family or the company), two family members working in the company (the chair and the CEO/son), and two family members not working in the company (two daughters). The board meets four to five times per year.

Case 2 is a fourth-generation French family company that was founded in 1884. Its database helps customers to navigate the complex world of transport prices and regulations. It specialises in the business of debt collection agencies and customer financial information companies. It has experience in business information, finance and risk management. The family owns 100% of the company. The board is composed of three family members who work in the company and two family members who retired after working in the company for several years. It meets formally four times per year and is preparing for the succession process.

The birth of Case 3 was in 1985 with a leveraged management buyout by the CEO, the main managers of the company and some financial organisations. It is a French group with over 1,800 staff worldwide specialising in the design and manufacture of custom design interconnect. The firm interconnects electronic devices provided by different suppliers into one system. As an expert in cabling engineering, Case 3 is able to design the whole cabling network. Its engineers assist customers with the most appropriate tools, including simulation software and co-design in all the development stages: idea, concept, prototypes, industrialisation, volume ramp-up and mass production. It is a family business with a diverse management team of two family members. In 1998, the current chairman of the board of directors stepped down as CEO. His daughter succeeded him in this position. She has been designated as the successor to her father.

Case 4 is a French food company. It was founded in 1905. In France, this FF mainly markets ham, cured ham and other cured meats, poultry products, various meat products (pâtés, etc.), surimi and ready-made meals. Outside France, the company is present in eight countries (Canada, Norway, Belgium, Luxembourg, Switzerland, Slovenia, Italy and Spain) and has seven production sites. The service business consists of three strands: the delivery of boxes and meal trays to companies, airline catering and hospital catering. One hundred and sixteen years later, the company is still independent and family owned. The chairman belongs to the fifth generation. He joined the family business in 2001. He was Vice President in charge of strategy and investments. He has been chairman of the board of directors since the beginning of 2009. The board of directors is responsible for reviewing and approving the direction of the business. It is made up of five independent directors, five directors representing the founding families and two directors representing employees. The presence of independent directors is part of the FF's desire to reconcile good management, security and sustainability. The board of directors met five times per year. Within the board, specialised committees are responsible for improving operations and helping to make decisions.

Case 5 is a second-generation Swiss family business that was founded in 1938. Active since 1938 in the field of engineering, it creates and manages projects for public authorities and private clients. Its activities consist of designing, creating and developing living environments that respect both people and the environment. The family owns a 95% share in the company. In January 2019, the current chair of the board of directors stepped down as CEO, and his son succeeded him in this position. The board is composed of two family members (the chair and the CEO/son) and one non-family member working in the company, who holds a small percentage of shares. It meets once a month.

Case 6 This family business, a wallpaper distributor, is a French brand based in the east of France. It was founded in 1969 by the father of the current CEO. After his death in 2000, the second generation took over the management of the company. The eldest son has since taken over the reins and manages the family business. It is an accessible brand that caters for everyone, from the general public to the experienced interior designer. Today, it is a real competitor in the world of decoration, having asserted itself with an urban clientele. With the launch of international e-shops in 2019, this family-run business is taking a major step forward in its corporate history. The board of directors is responsible for examining and approving the strategy of the group. The board is made up of two non-family affiliated directors and a family CEO. The board met four times per year.

Case 7 This family business, whose headquarters are located in the north-east of France, specialises in waterproofing, thermal insulation and roofing. It was founded in 1908 by the grand-father of the current CEO. Today, more than 110 years after its creation, the company employs nearly 7,000 people in 90 countries. The family owns 100% of the company. The actual CEO joined the FF in 1989 as CFO. He became the CEO of the FF in 1992. The board of directors is responsible for examining and approving the strategy of the group. The board is made up of three family directors two non-family directors and a family CEO. The board met four times per year.

Case 8 This family business is one of the leading wine producers in the north-east of France. Founded in 1639 and still active, this company produces high-end wines from its own vineyards and, as a wine merchant, markets products from other selected winemakers under long-term contracts. Strongly established in foreign markets, it exports nearly 80% of its wines. The family owns 100% of the company. The actual CEO joined the FF in 1989 as CFO. He became the CEO of the FF in 1992. The board of directors is responsible for examining and approving the



strategy of the group. The board is made up of three family directors two non-family directors and a family CEO. The board met four times per year.

Case 9 This family business specialises in the distribution of heating and air conditioning, from small to large boiler rooms (gas, oil, wood, renewable energy, heat pumps, underfloor heating, water treatment) in the north-east of France. In addition to selling heating and air conditioning products, this family firm provides after-sales services. Founded 67 years ago, it is fully owned and managed by the family. The Board of Directors is composed of 2 couples of the same generation. The board met six times per year.

Case 10 This family business is a family business that has been in operation for 27 years. It is located in the East of France and specialises in the traditional restaurant sector. The family owns 100% of the company. It is a family business with a diverse management team of two family members. The mother is the current chairman of Case 10 since 2005. Her son works works in the family business for several years.

Table 4 summarises the characteristics of the FF and the number of interviews completed in each case.

Case	Nationality	Activity	President	Board members	Male interviewees	Women on the Board	Female interviewees	Article
1	French	Transportation	Family president	4 family members 3 non-family members	2 family members  1 non-family member	3 women: 2 family members (1 interviewed) 1 non-family member	1 family member  1 non-family member	Articles 1, 2 and 3
2	French	Business information	Family president	5 family members	2 family members	2 women: 2 family members (1 interviewed)	1 family member	Articles 1, 2 and 3
3	French	Cabling; Engineering	Family president	2 family members	1 family member	1 woman: family member	1 family member	Articles 1, 2 and 3
4	French	Food company	Family president	5 family members; 7 non-family members	1 family member	3 women: 1 family member (1 interviewed); 2 non-family members (1 interviewed)	1 family member  1 non-family member	Articles 1, 2 and 3
5	Swiss	Engineering	Family president	2 family members; 1 non-family member	2 family members  1 non-family member	No women on the board	-	Articles 1, 2 and 3
6	French	Decoration	Family president	1 family member; 2 non-family members	1 family member  2 non-family members	No women on the board	-	Articles 1, 2 and 3
7	French	Waterproofing, thermal insulation and roofing	Family president	3 family members 2 non - family member	1 family member	2 women: 1 family member 1 non-family member	-	Chapter
8	French	wine producers	Family president	3 family members 1 non - family member	1 family member	2 women: 1 family member 1 non-family member	-	Chapter
9	French	Distribution of heating and air conditioning	Family president	4 family members	1 family member	2 women: 2family members	-	Article 4
10	French	Restaurant sector	Family president	3 family members	1 family member	2 women: 2 family members	1 family member	Article 4

Table 4: Characteristics of the FF and their boards

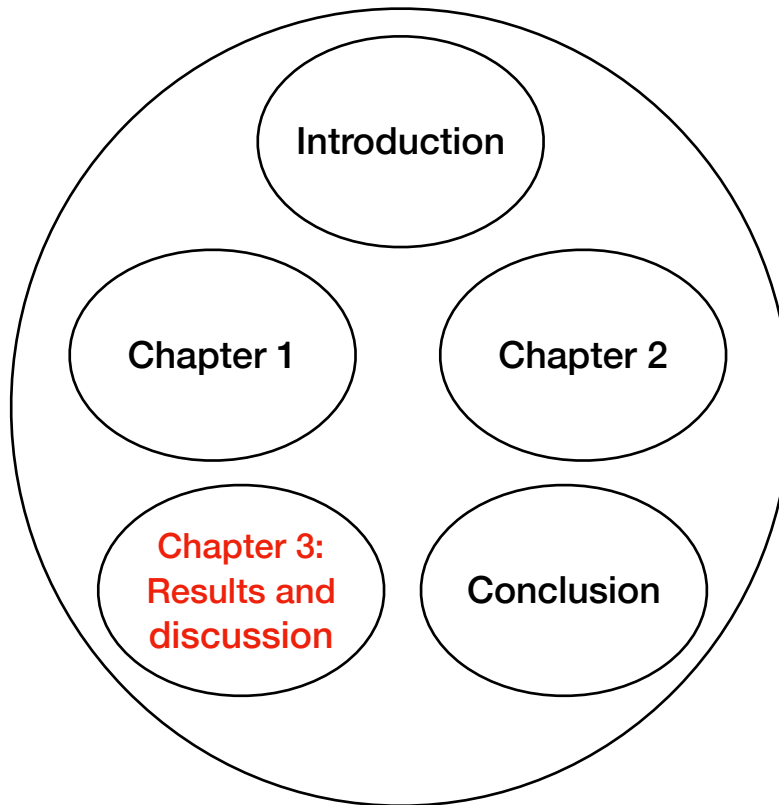
Hence, it is relevant to highlight the methodological limitations. The number of cases is a limitation. It should be noted that family businesses are difficult to access in general, but the Covid 19 epidemic has increased this inaccessibility. However, this limitation did not hinder our research because it is consistent with the four-to-ten case scale proposed by case study methodology (Eisenhardt, 1989), considered appropriate to reach theoretical saturation (Eisenhardt, 1989).

After presenting the research approach and methodology of the dissertation, the next chapter contains the results of each paper and an overall discussion is presented.

## Chapter 3: Results and discussion

This chapter is divided into two parts: the first presents the findings of each paper and the second discusses the results.

### Ist PART



### 3.1. Presentation of the articles/ chapter

This part starts with a summary of each article of the dissertation and continues by presenting its research questions, its theoretical framework and methodology and concludes by discussing its contributions.

### **3.1.1. Article 1 : Who I am affects what I do: How does diversity among the directors of medium-sized family firms influence board roles?**

International Journal of Entrepreneurship and Small Business, Special Issue on: "Business Transfers: An Opportunity for Dialogue between Entrepreneurship and Family Business Research ».  
[HCERES 2020 : C / FNEGE 2019 : 4] Under submission, Third round of revision

#### - Research Question

Composition of FF boards is a main aspect in our research. Therefore, we explore the governance of medium-sized FFs (Kotlar and De Massis, 2013) and, in particular, the composition of the board of directors in such firms (Sciascia et al., 2013). We question the board composition in medium-sized FFs (Howorth et al., 2016) by integrating two dimensions of diversity: demographic (age, gender and nationality) and cognitive (level of studies and professional and personal experiences) as the key drivers for their behaviour. They are likely to influence boards of directors in FFs in terms of cooperation, outlook, problem-solving, communication, decision-making and choices made, etc. Within the board, diversity matters (Post et al., 2011, 2015). It has the potential to increase board outcomes (Rao and Tilt, 2016b). Therefore, we see many reasons for focusing attention on the diversity of directors in FF boardrooms. We expect diverse directors to carry out their monitoring and advisory roles (Basco et al. 2015), including succession planning, in such a way that their diversity affects the governance of firms. We conceive that the behaviour of directors in the boardroom of a FF is influenced by their demographic and cognitive diversity which is able to affect their roles in the board. This leads us to answer in this article the following research question: How does demographic and cognitive diversity of directors affect their behaviour and how does it influence their roles in the boardroom of FFs?

#### - Theoretical framework

Our approach to understanding directors' behaviours is to explore their characteristics through their diversity. Therefore, our central argument is that understanding board roles is linked to the diversity of family and non-family directors. We argue that the behaviour of boards of directors in FFs is influenced by the demographic and cognitive diversity of their members and is able to affect board roles. Bird et al. (2012) have defined behaviour as 'the concrete enactment by individuals (or teams) of tasks or activities [...], which are required in some combination to start and grow most new organisations' (p.890). Behaviour is therefore associated with the activation of actions, activities by an individual or responses to stimuli in the context in which the individual evolves. Behaviours are particularly visible or audible (Aka et al., 2018). Focusing on the behaviour of board directors of FFs is important because behaviour is what can be observed through words and actions that shape our interactions with others. We argue that behaviour affects the roles of the board of directors in FFs and is affected by the characteristics of each member. Observing behaviour enables us to focus on the words and actions which shape the interactions of directors with others and affect the roles of the FF board.

We choose the theoretical framework of the upper echelons theory (Hambrick and Mason 1984) to identify the influence of directors characteristics that are important components to analyse the strategic directions of the firms. Upper echelons theory (Hambrick and Mason 1984, p.193) argues that 'organisational outcomes, strategic choices and performance levels, are partially predicted by managerial background characteristics'. Specifically, it states that organisational outcomes and

strategy may be considered as reflections of the characteristics of powerful actors in organisations, especially its top managers (Hambrick and Mason 1984). We apply upper echelons theory (Hambrick and Mason, 1984) to six case studies of family businesses to highlight directors as resource providers for their firms. We show that there is a relationship between the diversity (demographic and cognitive) of directors, their behaviour and their roles, including succession planning, that contributes to the ability of family businesses to survive and prosper.

#### - Methodology

This research is based on a multiple case study design, considered as the most convenient methodology to achieve our set objectives because it allows us to study a phenomenon as a dynamic process within a real-life context. Our sample is composed of six cases. We conducted nineteen interviews with members of the board. We registered and transcribed the interviews in order to examine the information obtained and identify its relevance in the context of our research. We began by reading the transcripts. Then, we coded the relevant items by actions, activities, studies, experiences, personal backgrounds and differences, to suggest the concepts that explain the phenomena under observation. The next step was to create categories by amalgamating several codes. The manual codification of the mass of information collected has allowed us to classify, compile, thoroughly analyse and cross-check the data and components under study, thereby facilitating the interpretation of results. In the first order concepts we provide the most representative quotes from our interviews to shed light on who the directors are. Next, we abstract the quotes to second order themes which highlight directors' actions, which reflect their behaviour. Finally, we develop aggregate dimensions that allow us to explain the influence of the diversity of directors on their roles in the boardroom. In 'reaching closure', we went back and forth between our coded data and the literature on the diversity of boards of directors in FFs (Gioia et al., 2013) and saw an opportunity to extend the literature by positioning our model.

#### - Results and contributions

Regarding the methodological approach that we have used in our empirical study, the analysis of the six cases allows us to identify diversity as a driver and to observe its outcomes on FF boards of directors. We theorise that the board's advisory role is influenced by the behaviour of its directors which is linked to their characteristics. Our model is in line with the theoretical framework we choose to use. Hence, upper echelons theory (Hambrick and Mason 1984) shows that the characteristics of the directors define the strategic orientation of the FF.

Broadly speaking, the study of this diversity of characteristics and its impact on the behaviour of directors on the roles they play on the board of directors of FF lies in two points. The first is to prioritise the values of the FF through the existence of a shared vision among the directors whether they belong to the family or not. The second is the importance of the diversity of knowledge generated by the diversity of directors on the functioning and sustainability of the FF. Moreover, the roles of boards in FF are generally similar to those of non-family firms. Prior literature mentions monitoring and advice functions (Arosa et al., 2010; Bammens et al., 2008, 2011; Siebels and zu Knyphausen- Aufseß, 2012). However, FF boards, because of the existence of the family logic, function differently (Bettinelli, 2011). In line with literature ((Bammens et al., 2011; Umans et al., 2020; Corbetta and Tomaselli, 1996; Neubauer and Lank, 1998), our results show that the board of directors perform specific roles. However, in addition to the advice functions, our findings add two

roles : ‘Prioritise the core values of the FF’ and ‘Provide a balance to the FF’. Therefore, our research contributes to the existing literature on the roles of the board of directors in FF by highlighting two additional functions. We argue that the latter derives from the influence of the demographic and cognitive diversity of the directors. Furthermore, our research could have practical implications for the choice and appointment of directors to the boards of family-owned businesses. Thus, we expect that our work will contribute to enlighten FF CEOs on the suitable characteristics of directors in order to ensure that the board has the knowledge and personalities to carry out its mission, based not only on the experience but also the diversity of its members. Finally, this study provides input into the academic discussion on corporate governance and FFs, an area which needs research.

### **3.1.2. Article 2: The choice of successor in family businesses: the influence of directors’ past experiences.**

In the process of being submitted in Management International [HCERES 2020 : A / FNEGE 2019 : 2]

#### - Research Question

The study of board’s composition in FF has generated considerable scholarly attention. However, the corner stone of our research is to focus on the human characteristics within the board of directors of FF. We highlight the importance of directors’ past experience and argue that it influences the choice of the successor in FF given the fact that directors’ experiences, knowledge, and values shape their choices (Hambrick, 2007). This leads us to answer in this article the following research question: How does directors’ experience have an impact on the choice of the successor in FF?

#### - Theoretical framework

Mental time travel is one of the characteristics of memory. This form of memory allows to mentally relive the events of our past and to imagine those of our future. It is indispensable in planning future actions and in the longer term in life projects (Berthoz, 2012). Through the theoretical lens of mental time travel, we aim to understand how past experience shapes the individual's (director) perception of the successor and lead to the choice of this successor. A fundamental component of the decision is the fact that past events, or judgements, must be taken from memory, selecting those that are relevant to the present (Berthoz, 2012). These thinking thoughts about the past, are usually in the form of remembering events that they have experienced, and that they apply to the choices they want to make in the present in order to prepare the future.

#### - Methodology

This research is based on a multiple case study design, considered as the most convenient methodology to achieve our set objectives because it allows us to study a phenomenon as a dynamic process within a real-life context. Our sample is composed of six cases. We conducted nineteen interviews with members of the board. We registered and transcribed the interviews in order to examine the information obtained and identify its relevance in the context of our research. We

began by reading the transcripts. Then, we coded the relevant items by actions, activities, experiences, personal backgrounds and differences, to suggest the concepts that explain the phenomena under observation. We codified manually all the items to create categories which permitted the interpretation of the findings.

When we coded data on experiences, we identified several types of experiences: personal and professional. First-order concepts were drawn from the most representative quotes from our interviews to shed light on the personal and professional experience of board members. Next, we organised the quotes into second-order themes which highlights the consequences of the various experiences. Finally, we developed aggregate dimensions that allowed us to itemise the criteria settled in order to choose a successor. In 'reaching closure' in line with the constructivist approach, we went back and forth between our coded data and the literature on diversity of boards of directors in FFs (Gioia et al., 2013); in this way, our model builds on and extends the literature.

### - Results and contributions

In FF, one of the key factor for a successful succession is to choose the suitable successor (Aldamiz-Echevarría, Idígoras, and Vicente-Molina, 2017). Prior literature indicates that the most important criteria when choosing a successor are the primogeniture, followed by the skills, experience in business and conformity with the requirements settled by the family (Aldamiz-Echevarría, Idígoras, and Vicente-Molina, 2017).

Driven by the research question, our findings bring together three criteria set by the directors following their past experience for choosing a successor: Prioritise the values of the FF Ensure continuity and succession of the FF, Professional experience and expertise before entering the FF and Strong ability to mobilise, to make the FF evolve and to lead.

In this study, we have investigated the different types of directors' experiences (family and non-family) on the board of directors of FFs. The contributions of diverse directors in FF is increasingly recognised. With regard to the composition of boards, boards where different attributes, characteristics and levels of experience are mixed, contribute to better decision-making (Adams and Ferreira, 2009; Anderson, Reeb, Upadhyay, and Zhao, 2011). This article highlights their experiences before joining the board of directors. They had a wealth of experience from which to make decisions in the boards and in particular to choose a successor.

We offer novel insights on the diversity of directors in FF boards. Our findings develop an in-depth analysis of their past experiences. Following existing exploration in this field, our results suggest the influence of different types of past experiences (personal and professional) on decisions in FF boards and that they can contribute effectively to the choice of the successor. This relationship between the board of directors and succession has already been established in prior studies (Motwani et al. 2006; Blumentritt 2006). Therefore, we tried to highlight their cognitive characteristics and their contribution to board function and particularly to the succession process by determining the appropriate criteria when choosing a successor.

This research aimed to contribute to the research on FF' governance by highlighting the importance of the human characteristics. We value diversity to affirm the existence of differences that reflect a variety of individuals who are recognised in their uniqueness. We aim to understand and appreciate the directors' characteristics and experiences which influence their way of deciding. We aim to

encompass the axes of experiences (personal and professional) we have explored and observe their intersection and integration within the decision making of the Board of Directors of FF. We want to offer a more comprehensive picture of the functioning of individuals with multiple types of experiences. Furthermore, our purpose is to contribute to the discussion about the relevance of interdisciplinary approaches by focusing on the suitability of the field of neuroscience and in particular mental time travel to understand directors decisions.

### **3.1.3. Article 3: Women's involvement in the boards of directors of family firms through the lens of socio-emotional wealth**

Revue de l'Entrepreneuriat. Special Issue: Innovation in Family Firms: responses to recent developments . Coordinated by Maksim Belitski, University of Reading (UK), Nada Khachlouf, ICD Business School Paris, Caroline Mothe, IAE Savoie Mont-Blanc (France) Alfredo De Massis, Free University of Bolzano-Bozen (Italy), @Petra M. Moog, Siegen University (Germany) [HCERES 2020 : A / FNEGE 2019 : 2] In revision, Second round

#### - Research Question

We examine the influence of women involvement in FF boards. The benefit of gender diversity in the corporate boards of family firms (FFs) is receiving growing interest. In this paper, we question the goals of women who hold a position on the board of directors of FFs. Goal setting has been used to identify what they want to accomplish. This lead us to answer the following research questions: 'How women's goals influence succession and how this relationship is moderated by two dimensions of SEW: binding social ties (B); and renewal of family bonds to the firm through dynastic succession, (R)?'

#### - Theoretical framework

The question is answered from the theoretical lens of socio-emotional wealth (SEW) which is suitable to identify non-financial goals. SEW has been defined as the 'non-financial aspects of the firm that meet the family's affective needs, such as identity, the ability to exercise family influence, and the perpetuation of the family dynasty' (Gomez-Mejia, Haynes, Nunez-Nickel, Jacobson and Moyano-Fuentes, 2007). By examining and identifying their goals, women in FF boards consciously or unconsciously value non-financial aspects (Samara, 2017; Williams, Pieper, Kellermanns and Astrachan, 2018). When research investigates women's active involvement on the family business board, the goals associated with their presence need also to be taken into consideration (Chrisman, Sharma, Steier, and Chua, 2013). Drawing on SEW theory, this study examines how women's goals influence succession.

#### - Methodology

This research is based on a multiple case study design. This methods considered to be the most appropriate for capturing the specific complexity and dynamics unique to family businesses. Our sample is composed of six cases. We conducted nineteen interviews with members of the board. We focused on boards with a gender-diverse composition and including mainly family members. Four cases have family and/or non-family women on their boards. We included two 'negative' cases in



our sample to allow for analysis of differences. As these FFs have no women on their boards, their inclusion allowed us to analyse how their goals and other factors differ from the other cases. We registered and transcribed the interviews. We began by reading the transcripts. Then, we coded the relevant items according to goals, experiences, personal and professional backgrounds. The manual codification of the data we collected through our interviews has permitted the classification of the raw data. First-order concepts were drawn from the most representative quotes from our interviews to shed light on the vision, priorities and values of female board members. Next, we organised the quotes into second-order themes. Finally, we developed aggregate dimensions that allowed us to itemise the goals pursued by female board members. In ‘reaching closure’, we went back and forth between our coded data and the literature on diversity of boards of directors in FFs (Gioia et al., 2013); in this way, our model builds on and extends the literature.

#### - Results and contributions

In this research, we explicitly explore the goal orientation of women on FF boards. Following Campopiano (2017), we have tried to give prominence to the goals pursued by women in the boardroom. While the contributions of women to family businesses is increasingly recognised, this article highlights their goals when joining the board of directors, from their own perspective. They became members of the board to achieve their goals. We contribute to the literature on board composition in support of gender diversity on the board, emphasising the goals associated with women on FF boards. We develop our knowledge on the different variables composing the female directors’ goals.

Our findings confirm the existing literature on women contribution to the succession planning process. However, drawing on SEW theory, this study contributes on how women goals influence succession, and how this relationship is moderated by SEW’s dimensions. Three dimensions of the FIBER scale (Berrone et al., 2012) are recognised in our data: binding social ties (B); emotional attachment of family members (E); and renewal of family bonds to the firm through dynastic succession (R). Thus, we propose the existence a short form of the FIBER scale, which we call the BER scale. We address the need for validation of this scale and suggest further advancing the SEW concept based on our empirical data. We thus contribute to the development of this highly important and powerful concept in family business research. By using a short form of the FIBER scale, we can determine the impact of women in FF boards on SEW, a key concept in family business research, thereby quantifying the contributions of gender diversity in FFs.

#### **3.1.4. Chapter: Sfeir S. (2021), Emotions in Family Business Succession**

Chapter published in Deschamps, B., Missonier, A., Thévenard-Puthod, C., Robic, P., and Barbelivien, D. (Eds.). (2020). *Business Transfers, Family Firms and Entrepreneurship*, Routledge, Taylor and Francis, 39 à 51.

#### - Research Question

Succession is an important challenge that family firms face (Daspit et al ., 2016). In this chapter, we study family business succession, which we considered as an emotion-influenced process, where feelings can affect the choice of a successor. We present the notion of viewing succession through

emotions. This insight opens up a new understanding on the choice of the successor in family businesses. We choose to focus on emotions because they have not been studied extensively in family business succession literature (Radu-Lefebvre and Randerson, 2020). Therefore, we answered the following research question: How emotions influence the reasoning of the incumbents when preparing for succession planning and choosing a successor?

### -Theoretical framework

The importance of emotions can be seen in the various stages in the life of the company and of the family members, including during family succession. 'The family prints to the family business the specific emotional intensity' (Carrau, 2019, p.236). Within this type of company, the influence of the emotions that are created and developed does not stop at the threshold of the family or the threshold of the family business. In this sense, Nordqvist et al. (2013) explain that 'managing a transfer is like managing emotions' (p.1112).

### - Methodology

To better understand the role that emotions can play in planning family firm succession, we chose two examples to examine and interpret this phenomenon. Through the two cases, we conducted interviews with two incumbents to shed light on the positive and negative emotions felt by the predecessor when making decisions about the choice of their successor and to examine the influence of these emotions on the predecessor's own behaviour and decisions.

### - Results and contributions

Prior studies confirmed the influence of emotions on decision-making in family firms (Shepherd, 2016; Holt and Pop, 2013). We contribute to this literature by confirming how emotions influence the reasoning of the incumbents. Positive (joy) and negative (fear, sadness and disgust) emotions manifested themselves when choosing a potential successor. The positive emotions of the incumbents were a powerful engine, but the negative emotions had a dragging effect. Indeed, they blocked the incumbents, provoked undesirable outcomes and prevented them from acting to set up the succession process. In the contrary, positive emotions can stimulate, allowing the incumbent to be optimistic about the future of the FF. Therefore, emotions are a driving force and a real cohesive and motivational influence in a family business, but they can also endanger it and generate conflict. Indeed, in the case of succession in family businesses, the behaviour of the incumbent is influenced by their emotions, which push them to interact with their environment in order to ensure their survival, and that of the company and the family.

This chapter has several contributions. The first is to think differently about family business succession by enhancing the influence of emotions on the succession planning process, which is a key challenge in family business research. The second is to point out that emotions have a different outcome regarding the succession planning process. The third is to explore succession through the emotions felt by the incumbents when choosing their successor. There are also implications for family firms' owners. In fact, emotions influence the reasoning of the incumbents. We aim to raise awareness of their emotions, which could help them control their emotions better and prepare for succession planning. As for the managerial contributions, we point out the need for family incumbents and successors to have trusted advisors to accompany them during the succession process so that emotions do not constitute an obstacle to action.

### **3.1.5. Article 4: Sfeir S. (2020), Les émotions dans la succession familiale**

Numéro spécial consacré aux Entreprises familiales et succession : défis et solutions, coordonné par Céline BARREDY et Miruna RADU-LEFEBVRE, *Entreprendre and Innover* 2020/1 (n° 44), p. 39 à 47. [HCERES 2020 : C / FNEGE 2019 : 4]

#### - Research Question

The emotional aspect is omnipresent in the family business. It dictates the way it operates, as well as its evolution over time. Academic research has done little empirical examination of emotions in the context of succession, especially the emotions felt by the incumbent when choosing a successor. Therefore, we aim to answer the following question: How can emotions allow us to better understand the succession process in family businesses?

#### - Theoretical framework

Emotion is important for understanding decisions and actions in family businesses (Harrell, 1997; Kellermanns, Eddleston and Zellweger, 2012; Zellweger and Dehlen, 2011). The emotional aspect, which is ubiquitous in the family business, dictates how it operates, as well as how it evolves over time. Moreover, much of the research on family businesses has been devoted to exploring the problems, challenges and solutions associated with family business succession (e.g. Chrisman et al., 2009). Yet, emotions in family succession have received little attention in the academic literature. How can the continuity of a family business be ensured when the affective and the emotional take precedence? One of the main reasons for the high failure rate among first- and second-generation family businesses is the inability to deal with the emotional aspects of succession processes (Duh, Tominc, and Rebernik, 2009; Van der Merwe, Venter, and Ellis, 2009). According to our readings, research on succession in family businesses has focused on the emotions felt by the actors involved in the business transfer, but has not looked at the emotions of the incumbent at the time of the decision. This research attempts to shed light on succession through the emotions felt by the incumbent at the time of the decision to transfer.

#### - Methodology

In order to understand succession in family businesses through the emotions felt by the incumbent at the time of the decision to transfer, we set up a qualitative research project which aimed at developing a new theorisation of emotions in succession. To do this, we used the methodological approach of grounded theory. Through two cases, we conducted interviews with two incumbents. We have shed light on the emotions felt by the incumbent at the time of the decision regarding the choice of the successor and to examine the influence of these emotions on his behaviour and decisions.

#### - Results and contributions

In both cases used, emotions came to the fore when a potential successor had to be chosen. The emotions of the two incumbents were a powerful driving force (positive emotions), but they also acted as a brake (negative emotions), blocking the incumbents, causing undesirable effects and preventing them from taking action to implement the succession. In both cases, the fear that the

buyers would not be up to the task prevented them from transferring their businesses despite the urgency and necessity of doing so. Conversely, the fact of having succeeded in convincing a descendant to take over the business brings great satisfaction, even enthusiasm. Positive emotions are stimulating and allow for optimism about the future of the business. However, in both cases, the incumbents seem to be more affected by their emotions than able to mobilise them as levers for a successful succession. Good preparation for succession planning undoubtedly helps to better control emotions and thus to avoid slowing down the action. By anticipating the roles of each person, the incumbent and successor know the scope of their actions. As for the managerial implications, we recommend that the incumbents receive long-term support. This support must be global because it is difficult to support only on a professional level without knowing the global problems, including those on a personal and family level. In order to be successful, the advisor must therefore have a good grasp of the professional and personal background of the current incumbent. The advisor should be present with the incumbent on a regular basis, and remain available during the years of preparation and joint reign with the successor. Finally, it should not be forgotten that in family businesses, emotions are triggered by interactions between the family and the business. They can have an impact not only on succession but also on the course of the family business's history.

## **3.2. Discussion**

This section now discuss the findings. The purpose of this dissertation was to explore the composition of board the board of directors in family firms in order to deepen our knowledge related to the diversity of directors in the board of family firms. Through the secondary research questions of our articles and chapter, we brought a response to the main research question: How the composition of the board of directors in FF influence succession?

### **3.2.1. The composition of the board of directors**

The board of directors in FF can be composed of both family members and outsiders (Bammens et al., 2011, Basco et al., 2015). The FF board literature identifies the benefits of including external directors, such as their ability to offer advice and connect the firm to its environment. The literature recommends including outside directors and mentions the advantages of including them on the boards of FFs (e.g. Woods et al., 2012; Voordeckers et al., 2007). There are reasons to weigh up the potential benefits when considering the inclusion of external directors on FF boards. Therefore, the literature encourage FF to have more outside directors on the board which usually leads to stronger board diversity and will ultimately lead to a positive effect on firm performance (Basco et al. 2015). Our sample cases demonstrate the presence of inside and outside non-family directors. These types of director offer alternative perspectives and experience and provide advisory and counselling services.

Moreover, in our study, we have observed the unlimited power that family members have over business ownership, control and management. This is revealed by the active involvement of family members on the board of directors of FFs. This governance body is controlled by family members who have the power to affect the roles of the board directors, which facilitate the alignment of business goals and family goals. This observation has been already studied by Jaskiewicz and Klein (2007), who found that the stronger the family's identification and commitment to the company, the more affiliated and inside members there are on the board. We deduce that the involvement of the family tends to influence the composition of the board of directors through power, experience and culture.

In our dissertation, we highlight the relevance of the directors characteristics, whether they belong to the family or not. These characteristics have been highlighted through the demographic and cognitive diversity of the directors in the boardroom. Our work focus on the richness of human dimension. We could observe family members in the board who are not just sitting on the board because they belong to the family, they contribute efficiently to the functioning of the board. With regard to the composition of boards, boards where different attributes, characteristics and levels of experience are mixed, contribute to better decision-making (Adams and Ferreira, 2009; Anderson, Reeb, Upadhyay and Zhao, 2011).

Therefore, in our dissertation, both family and non-family directors are considered as valuable resources to the FF due to their diversity. Thus, the perception of the composition of the board of directors in our work goes beyond the distinction outside/ inside directors.

The core of our research is the human element at the centre of the FF (De Massis, Foss; 2018). Whether they were family or non-family directors, our central goal is to dive into the human-related characteristics in FF's board. Therefore, what we are interested in is the Board members. This dissertation aimed to contribute to the research on FF' governance by putting the human and his characteristics in the centre of this research. We value diversity to affirm the existence of differences that reflect a variety of individuals who are recognised in their uniqueness. We have tried to understand and appreciate their characteristics and experiences, we found that their actions and choices mirror these characteristics. The diversity contained within each individual embrace the rich dimensions of humanity. We have encompassed the demographic and cognitive diversity of directors and observed their reflection within the decision making of the Board of Directors of FF. We want to prove 'who I am' influence what I do' in order to offer a richest picture of the functioning of individuals with multiple aspects of diversity. Thus, in our dissertation, we perceive the composition of the board of directors in FF as a reflection of board members diversity and human characteristics.

Looking at the human dimension within family businesses means being interested in each human being in the business and in the family. Our main objective is to search through the depths of the human being that makes up the governance of the FF. These persons decide and interact within the governance body of the FF. Our main contribution is to show the importance of age and gender of directors through their demographic diversity and to observe the relevance of the level of education, the personal and professional experiences through their cognitive diversity. In addition, we highlighted one of their main human characteristics which is emotion and proved its influence when making choices. We argue that, ignoring this level, particularly in FF, could be insufficient because 'the predictions of our theory for macro-level phenomena may be wrong or incomplete' (De Massis et al., 2018 p.371).

According to Godelier (2010), the construction of an individual is established over the course of his or her existence as a unit of various intertwined and indissociably mixed Selves: a social Self inherited at birth, an intimate Self resulting from various happy or unhappy interactions with individuals, and finally a cognitive Self acquired during the various training courses followed by the individual. The description of the cognitive self is related to that of human capital. Therefore, the diversity contained within each individual embrace the rich dimensions of humanity. Yet, when highlighting the human dimension, we add into play what matters in our lives: emotions pass through us, they constitute our humanity, our relationship with ourselves, with others and with our

environment. In fact, all human behaviour depends on the emotional experience. The purpose of including emotions is that FF are concerned with emotions. They permit to understand the decisions and actions of family members in family-owned businesses (Zellweger and Dehlen, 2012; Kellermanns et al., 2012 ). The emotional aspect, ubiquitous in a family business, dictates its mode of operation and its evolution over time. Positive (joy, surprise) and negative emotions (sadness, fear, disgust and anger) in family businesses emerge and evolve overtime, especially during critical family and/or business events ( Gersick et al., 1997).

Hence, we aim to encompass the axes of diversity (demographic and cognitive) and the human characteristics (emotions) in order to observe their influence on Directors choices and decisions. Table 5 describes the human characteristics that were studied in our articles. They allowed us to offer a complete image of the functioning of directors with multiple aspects of diversity and human characteristics.

<b>Articles</b>	<b>Human Characteristics</b>
Article 1: Who I am affects what I do: How does diversity among the directors of medium-sized family firms influence board roles?	Demographic (age, gender and nationality) and cognitive diversity (level of studies, personal and professional experiences)
Article 2: The choice of successor in family businesses: the influence of directors' past	Directors' past experiences (personal and professional)
Article 3: Women's involvement in the boards of directors of family firms through the lens of socio-emotional wealth	Gender diversity
Article 4: Une succession familiale, que d'émotions !	Emotions
Chapter: Emotions in Family Business Succession (chapter)	Emotions

Table 5: Directors' diversity and human characteristics

In this section, we have explained our perception of the composition of the board of directors. We show in this dissertation that it is relevant to go beyond the distinction of inside and outside board members. Prior literature is grounded on the difference between family and non family directors and ignores the human characteristics of each directors. Our objective digs more deeply in the demographic and cognitive diversity of each person in the boardroom whether they belong to the family or not. We point out how the richness of these individuals may be beneficial to the FF, through their guidance, their advice, their actions, their decisions and their choices. The directors aim to guaranty the continuity of the FF through succession and the choice of the successor. We

highlight that the choice of the successor mirrors the diversity of their personal and professional experiences, their goals and emotions. Therefore, it is relevant to prove in the following how we established the link between the composition of the board and the succession in order to answer our main research question because board composition cannot be treated in isolation from board functions and domains as it interacts with these factors.

### **3.2.2. The interactions between board composition and succession**

In fact, this link has been established through the answer to our four secondary questions:

- the relation between directors' demographic and cognitive diversity and the roles they play in the boardroom.
- the relation between directors' experiences and the choice of the successor.
- the relation between the involvement of women in the boardroom and the succession.
- the relation between the emotions of the incumbent and the choice of the successor.

- The relation between directors' demographic and cognitive diversity and the roles they play in the boardroom.

According to the literature, the board of directors in FFs fulfils two roles: monitoring and advice (Lane et al., 2006, and Van den Heuvel et al., 2006). Still, Astrachan et al. (2020) confirmed 'For family businesses with many shareholders, the board's role is especially critical. The board can help build and preserve family commitment and continuity when tough decisions must be made. It can be a trusted expert about future prospects and difficult but necessary changes, and a respected arbiter of the many tradeoffs between family benefits and business survival and prosperity' (p.1). The authors observe that the roles of the board of directors in FF go beyond this duality of roles mentioned in prior literature.

Employing upper echelon theory to explore the relationship between directors characteristics, their behaviour and the roles they play in FFs' boards provides another perspective to understand the complexity behind the governance of family firms. The demographic and cognitive diversity of directors are used by the board of directors to undertake its governance function, which means that the board composition, with its variety of attributes, characteristics and expertise, affects the roles played by the board. We have stated that 'what I am influence what I do.' Our findings have confirmed that directors' decisions and choices were inspired by their personal identity (who they are) and their experiences.

Thus, individual characteristics and their influence on behaviour are at the heart of our research. Grounded on Hambrick and Mason's (1984) theory which links firm strategic decisions to the characteristics of upper echelon managers making those decisions, upper echelon research has generally focused on how senior managers' characteristics influence firm strategic decisions (Bromiley et al., 2016). This stream of research has established that what managers, such as board members bring to the firm—their background, experience, qualifications, and connections— influences a variety of firm outcomes (Bromiley et al., 2016) which is in line with our observations and results. Hence, their behaviour is correlated to their demographic and cognitive diversity. We show that it comes from their inside but is also shaped by the situations that they have faced in the past and are facing in the present. Their behaviour is derived from their interactions with the others, from their interpretations of those interactions and observations, and from their choices when taking a decision. By highlighting directors demographic and cognitive diversity, we observed that their

behaviour is influenced by what they are. This is also in line with our work which is grounded on the micro-foundation approach in the sense that a psychology-based understanding of the actions and interactions of individuals is used to explain their roles in the boardroom (De Massis et al. 2021).

More specifically, we aimed to outline how board diversity has a direct positive effect on the offering of advice and the exercising of control, as well as how diversity-advising and diversity-controlling relationships are advantageous because of the various perspectives and alternatives that can be generated by diverse directors. However, our findings suggest that the directors play three roles: the advisory role as well as two other roles: Prioritise the values of the FF and provide a balance to the FF. When a director in the boardroom 'prioritise the value of the FF', he tries to maintain an equilibrium between the business goals and the family goals. He tries to maintain family values and preserve family wealth. When a director 'provide a balance to the FF', he tries to avoid conflicts within the business and the family, he assists in managing and uses his personal capabilities to find a middle ground to solve conflicts.

Furthermore, we have observed that when diverse directors are exercising their roles, they are influenced by their demographic characteristics and their past personal and professional experiences. Consequently, the demographic characteristics of directors may influence their activities because these roles could be affected by the human capital of directors of different ages, genders and nationalities. Cognitive diversity could generate various perspectives, engender well-thought-out alternatives and, ultimately, lead to better decisions and give rise to improved succession planning. Unfortunately, monitoring and control tasks were not observable in our sample. This is due to the power and control of the family members on the boards. In fact, the aim of the monitoring function is that the board monitors the management, on behalf of the owners, to ensure that the owners' interests are safeguarded (Hillman and Dalziel, 2003). When governance is conducted in FF, owners also being firm managers, the board would not be needed to fulfil the function of monitoring. Therefore, we identify diversity as a push and pull factor which influences directors' behaviour and roles.

Our data indicates the role played by the board of directors in preparing for succession, which is the result of 'push' behaviours by one or more directors on the board who make the CEO realise that they cannot continue forever in that role. This behaviour indicates directors' concerns about survival and sustainability. The board directors intervene to encourage the CEO to prepare properly for succession and assist them to identify potential candidates, whether internal or external.

Board directors also participate in coaching and mentoring family members who have joined the business and may aspire to become future successors. Moreover, due to their experiences and competencies, diverse directors have broad perspectives and skills enabling them to identify strengths and areas in which a family member needs coaching and advice. By helping family members become effective business leaders, the board can facilitate the transfer of leadership and ownership of an FF from one generation to the next.

In the first paper, we highlighted the importance of directors' diversity (demographic and cognitive) being a relevant reflection of what they are. Then, we tried to establish the reciprocal link between directors' diversity, their behaviour and the roles they play in FFs board. Thus, the relation between directors' diversity and their roles, succession being included in their roles, leads us to answer our research question. Hence, the human characteristic of directors in FFs boards influence their roles.



Figure 19 describes the model of this article which highlights the link between directors' diversity, their behaviour and the roles they play in the board.

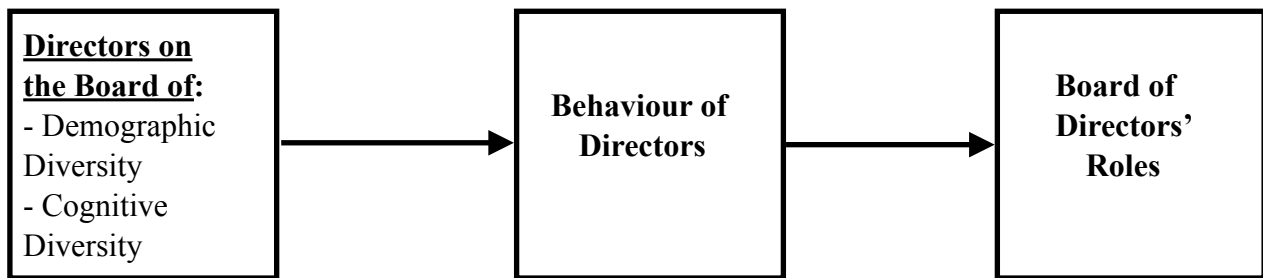


Figure 19: First article's model

- The relation between directors' experiences and the choice of the successor.

A well-constructed board working in partnership with owners and senior executives is invaluable for growing family wealth and shaping the future of a multigenerational FF. This idea leads us to discuss the succession in FF as considered in our dissertation.

We wanted to highlight how recalling the past and particularly past experiences allow the directors of the Board in FF to simulating the future and particularly to ensure the continuity of the FF by choosing a successor. This decision is not a multiple-choice test, as directors are not given a menu of options and ask them to choose. They are trying to prepare the future by reading back through their life experiences in order to avoid making the same mistakes. According to mental time travel theory, memory has the capacity to retain information and to retrieve it despite a temporal gap between recording and retrieval (Addis et al., 2007).

As to the choice of the successor, in conformity with the research of Gagné et al. (2019), we draw attention to the qualities of the successor. Our findings show that the past experiences of the directors in the boards of FF lead to settle three criteria that he should meet : 1- Preserving the values of the FF, ensuring continuity and succession of the FF, 2- Having professional experience and expertise before entering the FF and 3- Possessing a strong ability to mobilise, to make the FF evolve and to lead.

Figure 20 is the model of our second article and shows the link between directors' personal and professional experiences and the choice of the successor.

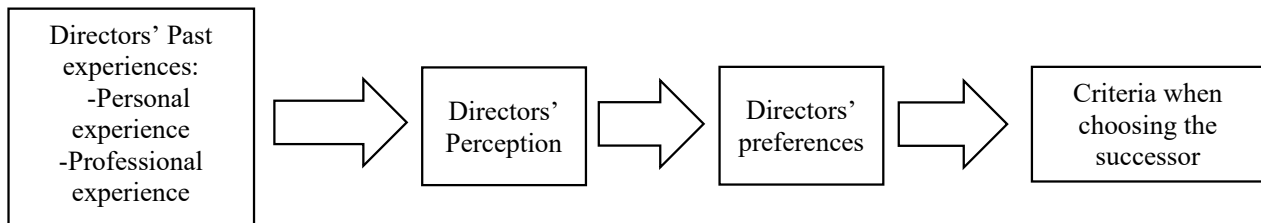


Figure 20: Second article's model

Moreover, we have investigated the different types of directors' experiences (family and non-family). With regard to the composition of boards, boards where different attributes, characteristics and levels of experience are mixed, contribute to better decision-making (Adams and Ferreira, 2009; Anderson, Reeb, Upadhyay and Zhao, 2011). This dissertation highlights their experiences before joining the board of directors. They had a wealth of experience from which to make decisions in the boards and in particular to choose a successor.

We offer novel insights on the diversity of directors in FF boards. Our findings offer an in-depth analysis of their past personal and professional experiences. Following existing exploration in this field, our research suggest the influence of different types of experiences on decisions in FF boards and that their effective impact on the choice of the successor. This relationship between the board of directors and succession has already been established in prior studies (Motwani et al. 2006; Blumentritt 2006).

However, our contribution reside in the use of their previous experiences to influence a specific outcome which is the choice of the successor. The findings break away from traditional economic models that assume people make rational decisions from all available options. According to our interviews, rather than choosing from a ready-made list, they conjure choices from their previous experiences. When faced with having to make good choices, they didn't forget the option they prefer and tend to be swayed by what they remember. Past experience is often presented by our interlocutors as a justification of how they are and how and why they made this choice. Past experiences, both personal and professional, provide them the necessary information for future decision making. We highlight the importance and the complexity of directors past experiences, being an important characteristic of what they are. the reciprocal link between directors experiences and the choice of the successor in FFs is explained through the mental travel theory.

#### - The relation between the involvement of women in the boardroom and the succession

Another aspect of diversity has been studied in the dissertation: the goals of women (family and non-family) on the board of directors of FFs. Our study highlights their goals when joining the board of directors, from their own perspective. They became members of the board for substantive reasons: when they are family members, they aim to participate in the life of the business because it influences the family and the relationships between the family members; when they are not family

members, they join the board because of the consistence between their values and the FF's values. Their presence is not merely symbolic or an attempt to comply with normative considerations. In conformity with prior research (Campopiano et al., 2017), we highlighted the contributions of the presence of women in FF boards and point out their goals. We aim to raise an interesting debate on their non-economic/non-financial goals such as: binding social ties (B); emotional attachment of family members (E); and renewal of family bonds to the firm through dynastic succession (R).

In fact, our study contributes to the existing literature on this topic by considering the relationship between women directors on FF boards and non-financial variables. We have started with an explorative qualitative study to develop our knowledge on the different variables composing the female directors' goals. Our results highlight the importance of the presence of women in FF boards and outside the Firm (but in the Family) and point out their goals. Howorth et al. (2006) affirmed that even if women were not directly involved in the business, they may play an important role within the family by influencing male leaders' business decision processes. In Heinonen and Stenholm's (2011) investigation of the contribution of women to FFs, from the perspective of the women themselves, the women were vital for the functioning of the FF; crucially, they were very close to the business, a factor that did not depend on formal ownership. Women are aware of their role and mission and do not undervalue their contributions, recognising their own ways of exerting an influence (Cesaroni, Pediconi, and Sentuti, 2018). They want to maintain peace and harmony in the family and in the firm by keeping away uncertainty, mediating, removing fear and avoiding conflicts (Cesaroni, Pediconi, and Sentuti, 2018). The SEW approach has provided theoretical arguments that can be applied to this question. Since a primary reference point for family stakeholder(s) is the loss of their SEW (Gómez-Mejía et al., 2007), their behaviours are driven by the desire to maintain the family's discretion over decision-making (Fiegener et al., 2000b) in order to preserve social and emotional endowments attached to the firm (Gómez-Mejía et al., 2011).

Yet, we suggest a more detailed analysis with regard to gender diversity and how boards function (Gabrielsson et al., 2016). We propose that a new tool be created to identify the influence of women in FFs' boards on SEW. We suggest a multidimensional scale, similar to the FIBER scale, which will measure the impact on SEW of the presence of female boards members. This scale would permit the quantification of the contributions of gender diversity in FFs. It will highlight and determine the non financial goals pursued by women in FF.

Moreover, several researchers have observed an optimistic view of women's involvement in FFs (Campopiano et al., 2017, Sentuti et al., 2018). Studies suggest that they often play a crucial role in FFs, especially in succession processes (Barrett and Moores, 2009b). Our findings confirm these conclusions. We highlight women's involvement in the succession process because they wanted to engage with the managerial transition and prepare for the arrival of the successor. They played a benevolent role towards the manager and the chosen successor. They participated in the definition of the role and responsibilities of the successor and wished to ensure the company's long-term survival. Hence, our results show that the goals of women directors are 'renewing family bonds through dynastic succession'.

Women, whether or not they were family members, have goals aligned with the FF interests and sustainability and aligned with their personal identity (who they are). Still, they formulate goals consistent with their personal and professional characteristics. These characteristics they possess were likely the driving force behind the types of goals they aimed to achieve. They are linked in some way to these key factors driving them. They are consistent with their values, emotions and

priorities. Thus, the relation between the involvement of women in the boardroom, their characteristics, the identification of their goals and the succession, has been established. Hence, the human characteristic of women in FFs boards influence the succession. Figure 21 describes our model which points out the link between the involvement of women in FF boards and the succession.

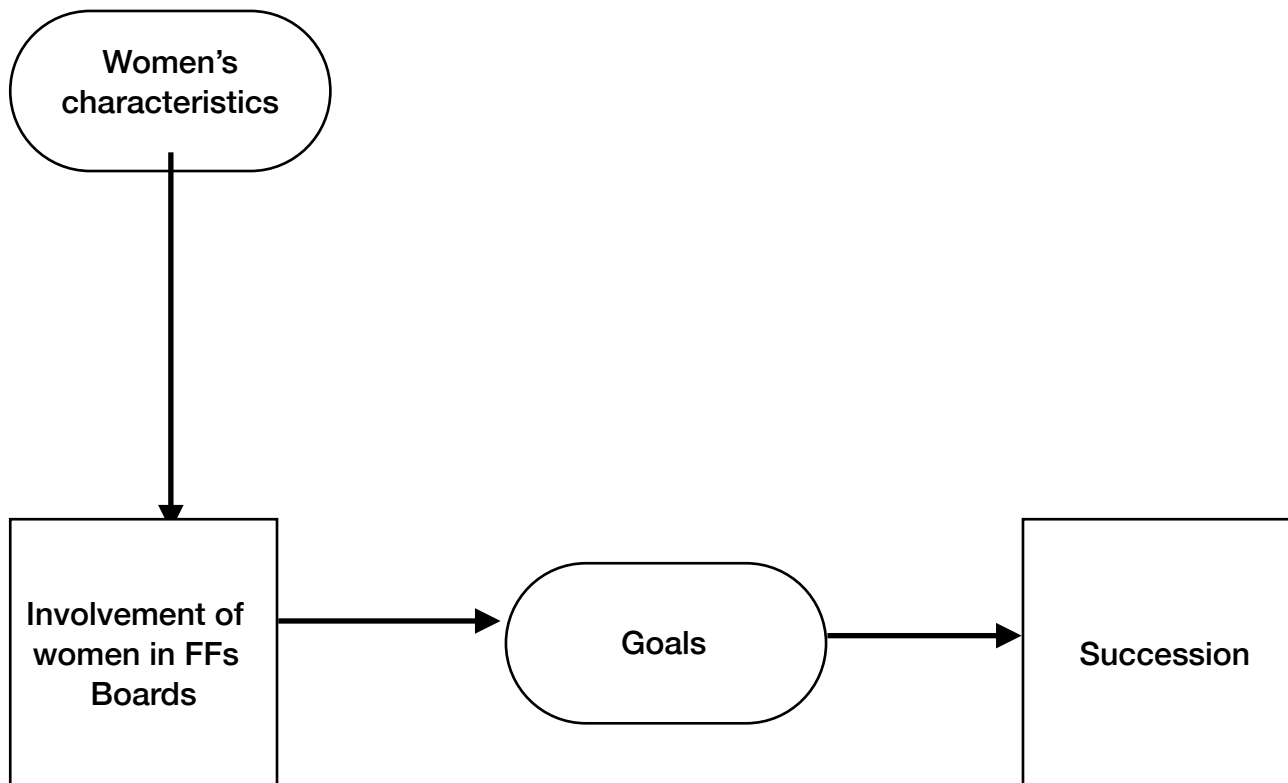


Figure 21: Third article's model

- The relation between the emotions of the incumbent and the choice of the successor.

In our dissertation, we aim to propose that family business succession is an emotion-influenced process, which can affect the choice of a successor. For FF, succession embodies the central issue to be addressed in order to survive. Prior studies already pointed to the fact that emotions affect decision-making processes in family firms (Shepherd, 2016; Holt and Pop, 2013 ). We argue that these emotions greatly influence the reasoning of the incumbents. In the cases we studied, emotions manifested themselves when choosing a potential successor. The emotions of the incumbents were a powerful engine, but they also had a dragging effect. Indeed, they blocked the incumbents, provoked undesirable outcomes and prevented them from acting to set up the succession process. In fact, the fear that the successor would fail to keep up with them prevented them from passing on their businesses, despite the urgency and the need to do so. Conversely, having managed to convince a descendant to take over the business provides great satisfaction, even enthusiasm. Positive emotions can stimulate, allowing the incumbent to be optimistic about the future of the company. Being attentive to one's emotions, to one's feelings, and putting the intensity of the emotion into words develops emotional awareness and helps people to better understand themselves and to better understand the other person.

Yet, entrepreneurs have invested considerable resources, time and energy into their businesses. It is not surprising that they do not pass on their businesses easily without first making sure they are in good hands. Entrepreneurs have difficulties to let go their business (Umans et al. 2020). They have also made a significant emotional investment in their business, which plays a central role in shaping their identities, and their personal and professional lives. For these reasons, they need to anticipate succession planning to be better prepared emotionally when the time comes. After the succession, entrepreneurs who were emotionally invested in their business reinvest their emotions in planning for their personal future. Emotions occur before and after the succession and have an impact on emotional recovery. Even if previous research has recommended the planification of the succession (Kammerlander et al., 2015), our advice helps them to better control their emotions so that the latter does not slow down their action. If both incumbents and successors work to anticipate the future, they will understand the boundaries of their actions.

Moreover, succession requires careful anticipation, rigour and expertise. It can help the incumbent to be accompanied through the process by other professionals, such as consultants, lawyers, business lawyers, tax experts and accountants. Therefore, we encourage incumbents to receive support throughout the succession process from an advisor. It seems to us that long-term support is necessary. This support must be global because it is difficult to accompany someone only on a professional level without knowing their global problems, including on a personal and family level. In addition to the findings of Kammerlander et al. (2015), we suggest that the consultant must have a good knowledge of the professional and personal history of the incumbent. The advisor should be present at their side regularly, and remain available during the years of preparation and joint reign with the successor. Regarding the latter, an external consultant can undoubtedly help them to detach themselves from the family hierarchical relationship. This external consultant must, therefore, be different from that of the incumbent because their objectives are different.

In the fourth paper, we wanted to understand the role that emotions can play in planning family firm succession. We shed light on the emotions felt by the predecessor when making decisions regarding the selection of their successor and to examine the influence of these emotions on the predecessor's own behaviour and decisions. The relation we have established between the emotions of the incumbent and the choice of the successor lead us to answer our research question. Hence, the human characteristic of emotion influences the succession. Figure 22 shows the link between emotions and the succession.

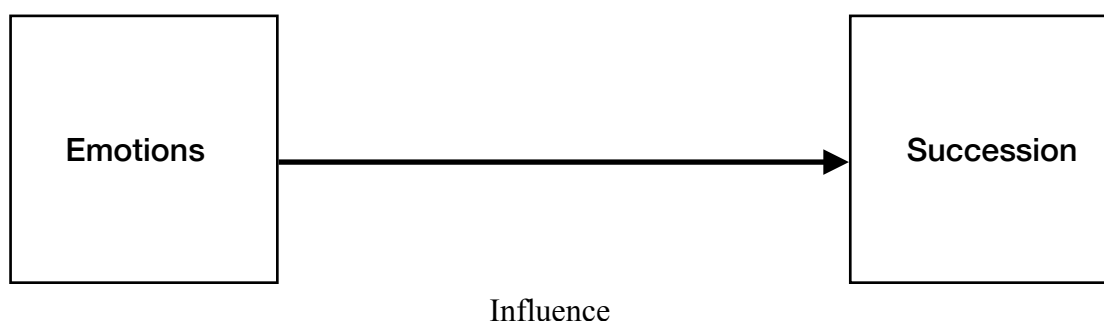


Figure 22: Fourth article's model

Finally, we find relevant to posit our models and articles on our initial research model as described in figure 10 (figure 23).

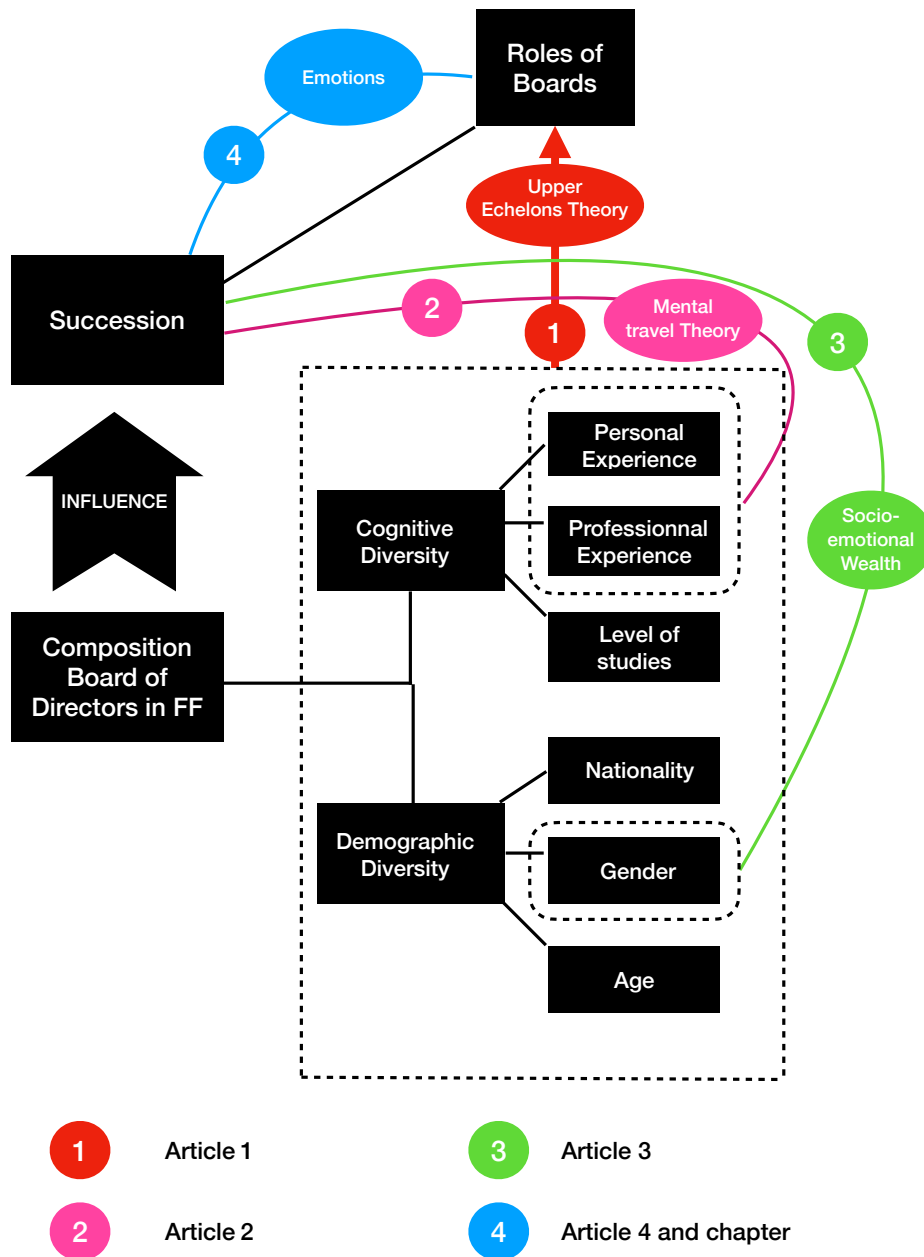


Figure 23: Our models and articles on our initial research model

To summarise, we illustrate our view with Minzberg’ quotation about the value and contributions of directors diversity. ‘He also brings with him experience, through which he has developed a set of talents or skills, sometimes honed by training, and a knowledge base from, for example, past experiences. This knowledge is, of course, used directly, but it is also converted into a set of mental models on the basis of which directors interpret the world around them...The combination of all these characteristics determines the way a manager approaches a given function: his or her

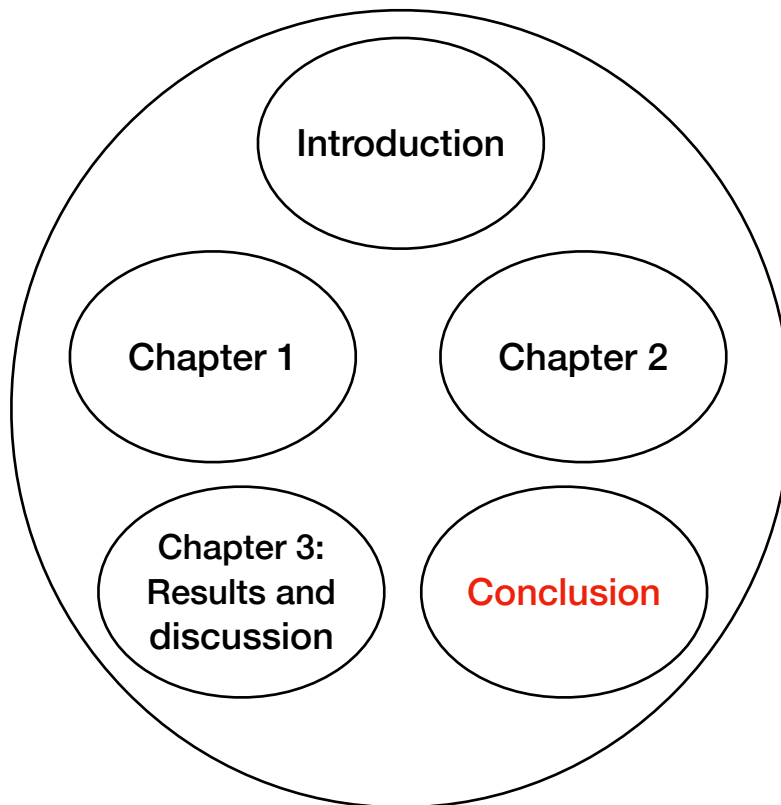
leadership style. Style will come alive when we begin to see how a director exercises the demands of his or her function.’(Mintzberg, 2006, p. 223).

Our research allows us to dive into the composition of board of directors in FF. This explanation resumes the contents of our dissertation and permits to answer our main research question. Thus, the composition of the board of directors in FF influence the succession, through the demographic and cognitive diversity of the directors, through their past personal and professional experiences, through the goals of women when they joined the board and through CEOs emotions. We summarise hereafter the thesis that we defend.

- The composition of board of directors in FF goes beyond the distinction of outside and inside members.
- Board composition is the reflection of board’s members diversity and human characteristics.
- Board composition cannot be treated in isolation from board functions and domains as it interact with these factors.
- Board composition influence the determination of the family firm’s goals, particularly to ensure succession.
- Board composition uses directors’ diversity and human characteristics including age, gender, ethnicity, independence, professional background, knowledge, technical skills and expertise, commercial and industry experience, and career and life experience, and emotions in order to achieve those goals.
- Board composition influence succession.

# Conclusion

## Ist PART



This conclusion starts with the validity and reliability of the dissertation and continues by discussing its theoretical, empirical, methodological, and practical contributions. Thereafter, limitations are discussed and future research directions proposed.

The purpose of this dissertation was to explore the board in FF in order to develop our understanding of the functioning of the board in FF and its influence on the choice of the successor. In order to achieve our goals, we choose to dive into the particularities of the individuals who composed the board of directors to explore who they are and to understand its influence on what they do.

### **The scientific value of of the thesis by publication**

We have tried to count the story of our research, to explain and justify our choices and decisions. To what extent can the results of our work contribute to the the scientific field of FF? According to Drucker-Godardet al. (2014), this involves assessing the research against two criteria: validity and



reliability. Although the generalisation of our results is not the objective of the study, we wish to highlight situations where they could be extended, as our research contributes to explain and understand the composition of board of directors in FF.

We have chosen qualitative methods for our research which, according to the literature, can provide valuable insights to the complex features and dynamics of FF (Nordqvist et al., 2009; Reay and Zhang, 2014). It allows us flexibility and creativity, while offering analytical tools for the development of an in-depth examination of the composition of the board of directors in FF (Fletcher et al., 2016). Micelotta et al. (2021) consider that qualitative methodologies are suitable to improve our understanding of the complex processes that are at the core of family businesses. These authors point out the strength of qualitative research in making sense of the differences between different 'social worlds' that exist within FF and provide uniqueness to FF. As Fletcher and colleagues (2016) note, qualitative research methodologies might be particularly useful in projecting family business research into unexplored territories, i.e. which highlight the relevance of these methods.

Indeed, in management research, the value of knowledge can be assessed from three points of view (Le Moigne, 1995; Martinet, 2007): the ethical; the epistemic, which concerns its value for the scientific discipline of management; and the pragmatic, which concerns its value for managerial practice (Avenier, 2011, p. 375). The legitimisation of the knowledge developed is based on making explicit the epistemic and empirical work carried out by the researcher throughout the research, and in particular their rigour and the epistemic, ethical and technical conditions in which the information was collected and processed (Le Moigne, 1995, 2007; Martinet, 2007, Avenier, 2011). The construction of our study was in fact carried out in order to ensure its internal validity: Miles and Huberman (2003, p. 504) explain that internal validity is 'a process of checking, questioning and theorising, not a strategy that establishes a standardised relationship between the results of analyses and the real world'.

Consequently, the internal validity of qualitative research implies, on the one hand, 'accurate', 'authentic' and 'plausible' results in relation to the field(s) of study, and on the other hand, results that are linked to prior or emerging theory (Acerb and Missonnier, 2007). We have demonstrated when we were describing our methodology how we have built our research, the epistemological approaches in relation to each secondary research question, the coherence and contributions of our work. As to its external validity, the case study method is generally criticised. The question of transferability and generalisation of results, associated with its external validity, remains more problematic. However, in analysing precisely the place of this strategy in scientific reasoning and theories, David (2004, p. 17) indicates that the highest generalisation is certainly 'achieved when new theories allow us to transform our general view of things' (p. 19). Hence, our empirical articles are based on research strategies that guarantee the reproducibility of results and not their generalisation (Strauss and Corbin 1990; Huberman and Miles, 1991). Furthermore, they have been submitted or are under submission to scientific journals and have been or will have to be evaluated with double-blind reading committees.

It should be noted, however, that when it comes to qualitative research there is an increased need for transparency. Some authors (Lee et al., 2008; Gephart, 2004; Pratt, 2008) speak of quality and credibility of qualitative research rather than validity and reliability. In order to ensure the validity and the trustworthiness of our research, we relied on describing our methodology and our analysis. We have defined the concepts studied, the theories used and the access to the field in order to guarantee the rigour and authenticity of our research.

According to Mucchielli (1996), the validation of qualitative methods refers to the ability to produce results that have 'value insofar as they contribute significantly to a better understanding of a reality, a phenomenon under study' (Translated p. 265). In the following, the contributions of our dissertation are presented.

## **The contributions of the dissertation**

The purpose of this dissertation was to advance the understanding of how different types of directors' diversity on FF boards influence succession and particularly how do the characteristics of directors affect the choice of successor throughout the succession process.

This dissertation provides input into the academic discussion on corporate governance and FFs, an area which needs research. It finds theoretical and managerial applications for Management Sciences and particularly for the field of FFs.

### - Practical implications for Management Sciences

We believe that our research could have practical implications for the appointment of directors to the boards of family-owned businesses. When making such appointments, we can identify the importance of directors' demographic and cognitive characteristics and their contribution to board function and quality of debate on governance issues. Our study reveals that the appointment of women on the FF board of directors provides an opportunity. They have the desire to accomplish various goals when they join the FF. Indeed, these individuals are not neutral when they are appointed in the board of directors of FF. If we are more conscious about this fact, we would be more careful in the way we select the directors in the boardroom and we would 'be more flexible, later on, in the way we let them shape their functions themselves'.

When we question about why diversity is important in the board of directors, the answer is to offer a true and fair representation of the diverse, varied and multi-skilled persons who allow for greater innovation and create an environment whereby people can share who they really are and what they can do. In our research, we point out that individuals in FF are the number one asset. FF should invest in attracting, developing, hiring and retaining directors in their boardroom with rich personal and professional backgrounds.

Thus, we expect that our research will be useful for CEOs of family businesses to recruit suitable directors in order to ensure that the board has the knowledge and personalities to carry out its mission, based not only on the experience but also the diversity of its members.

Furthermore, as to the selection of directors, it is worth noting that governance evolves in FFs. It should not be static but, instead, needs to adapt to circumstances. There are times when the family business may need an outside director and other times when it may be necessary to return to the family. We have argued in this dissertation that this diversity of human-related characteristics in FF' board - whether male or female- will help family businesses to anticipate, prepare, plan and manage succession to ensure business continuity. It will enable us to understand how decisions are made by considering the characteristics, the experiences, the emotions and the behaviour of the actors involved in the process.

As to the link between directors' diversity and the succession in FF, our contribution is twofold: first, we could show that the past experiences of diverse directors in the boards of FF lead to settle

three criteria that the successor should meet when he will be chosen. We draw attention to the qualities of the successor, such as: Prioritising the values of the FF, ensuring continuity and succession of the FF, having professional experience and expertise before entering the FF and a strong ability to mobilise, to make the FF evolve and to lead. Second, our research highlights that women's involvement plays a crucial role in the succession process.

Moreover, additional managerial contributions related to the succession process should be noted. We point out the need for family incumbents and successors to have trusted advisors to accompany them during the succession process so that emotions do not constitute an obstacle to action. We encourage incumbents to receive support throughout the succession process from an advisor. It seems to us that long-term support is necessary. This support must be global because it is difficult to accompany someone only on a professional level without knowing their global problems, including on a personal and family level. To succeed in their mission, a consultant must have a good knowledge of the professional and personal history of the incumbent. The advisor, who can be a trusted board member, should be present at their side regularly, and remain available during the years of preparation and joint reign with the successor. Regarding the latter, an external consultant can undoubtedly help them to detach themselves from the family hierarchical relationship. This consultant must therefore be different from that of their predecessor because their objectives are different.

#### - Theoretical implications for Management Sciences

In terms of theoretical implications, we suggested a more fine-grained measurement with regard to gender diversity and its influence on SEW. Three dimensions of the FIBER scale (Berrone et al., 2012) are recognised in our data. Thus, we propose the existence of a short form of the FIBER scale, which we call the BER scale. We address the need for validation of this scale and suggest further advancing the SEW concept based on our empirical data. We thus contribute to the development of this highly important and powerful concept in family business research. By using a short form of the FIBER scale, we can determine the impact of women in FF boards on SEW, a key concept in family business research, thereby quantifying the contributions of gender diversity in FFs.

Furthermore, we believe that our work proposes a new angle that deserves further study. Emotions are a driving force and a real cohesive and motivational influence in a family business, but they can also endanger it and generate conflict. Indeed, in the case of succession in family businesses, the behaviour of the incumbent is influenced by their emotions, which push them to interact with their environment in order to ensure their survival, and that of the company and the family. While family business research recognises the importance of emotions in making decisions and taking actions, no empirical study has yet examined the emotions of incumbents when choosing a successor. Our research has aimed to shed new light on succession and its preparation by examining the emotions of the incumbent during this choice.

Finally, we contribute to the discussion about the relevance of interdisciplinary approaches by focusing on the suitability of the field of neuroscience and in particular mental time travel to understand directors decisions. There have been several recent calls encouraging family business scholars to provide new empirical evidence on interdisciplinary approaches in the family business field in order to deepen our understanding (Nordqvist and Gartner, 2020). In fact, most research on FF is based on management and economics approaches (Neubaum, 2018; Payne 2018). ‘ For while

founding our perspectives on established literature is a good practice, we also need to broaden our perspectives to seek out new ways of 'seeing' and theorising' (Holt, Pearson, Payne and Sharma, 2018).

## **Limitations and future research avenues**

Our research findings allow us to identify some limitations emerging from our study. The case study method provide a limited number of informants and thereby obstructs the generalisation of results. This weakness in relation to generalisation can, however, be compensated by the complementary use of quantitative research methods. In our sample, the demographic diversity related to the nationality couldn't be observed because we didn't find any director in the FFs board with a foreign nationality. Thus, the outcomes of this variable could't be demonstrated. Hence, a broader sample of FF could include directors of various nationalities which will enhance the study of directors diversity. Furthermore, the FFs in our sample were French and Swiss businesses. The cultural aspects of these countries could limit the transferability of our findings to other countries and different cultural settings. Therefore, it will be relevant for future research to include a broader sample of FF of other nationalities to compare the results with these other countries. Moreover, future studies could enhance our understanding of emotions in FF. Particularly, future avenues could observe the influence of emotions in the board of directors and between directors and enlighten the concept of emotional intelligence in the board of directors in FF. Regarding FIBER scale, future research could develop different types of measures of non-financial goals related to diversity in order to replace or complement the existing tools and then undertake quantitative studies to validate the empirical results.

To end, we aim to highlight the importance of directors in FFs boardroom. According to Peter Drucker (1954), 'The director's responsibility is to create a whole that is greater than the sum of its parts, a productive entity from which there emerges more than the sum of the resources that have been put into it. The analogy with the conductor comes to mind: through his efforts, vision and leadership, individual instrumental parts, which in themselves are just noise, become a living whole: music. But the conductor has the score written by the composer: he is only an interpreter. The director, on the other hand, is both composer and conductor' ( p. 341-342). Leonard Sayles confirms the same metaphor: The director "[...] is like the conductor of a symphony orchestra who strives to achieve a melodious performance in which the contributions of the various instruments are coordinated, spaced, harmonised and shaped even as instrumentalists have various personal problems, attendants move the easels carrying the score, alternating heat and cold pose problems for instruments and audiences, and the concert organisation insists on imposing irrational changes on the program." (1964, p. 162).

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## **Appendix 1: The interview guide**

### **Presentation of the research work**

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**Université de Grenoble Alpes**

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Impact of the diversity of the governance of a family business on the  
transmission

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### **Interview guide**

Here is the interview guide for the empirical study of my thesis:

First, we will start by asking for detailed information on the governance of the company. Secondly, the goal is to let the interlocutors express themselves as freely as possible on the questions that will be asked. The interview will be mainly conducted through reminders and reformulations, while ensuring that all the topics of this guide are covered.

The interviewer therefore approaches the interview voluntarily in a fairly open / broad way, to avoid suggesting certain answers to the interviewer. Third, more detailed and technical questions can be asked more directly, if they have not been raised spontaneously. The interview therefore becomes more directive at the end.

## **I- General information on the company and its corporate governance**

- 1- When the company was created?
- 2- By whom the company was founded?
- 3- How has the company evolved? Its activity? Its governance and in particular its Board of Directors?
- 4- What is the percentage of the family in the business?
- 5-What is the percentage of ownership of the founder?
- 6-How many persons are part of the management team?
- 7-How many family members occupy a managerial position?
- 8-What generation do the family members of the management team belong to?
- 9-Is the CEO (highest manager of the company) a member of the family?
- 10-If so, to which generation does he belong?
- 11-How old is the CEO?
- 12-What is the percentage of the CEO's shares?
- 13-How long has he been in office?
- 14-How many people are on your board of directors?
- 15-How many family members occupy a director's position?
- 16-Is the Chairman of the Board of Directors also the CEO?
- 17-To which generation do the family members of the board of directors belong to?
- 18-How many board meetings are held annually?
- 19-How many directors are not part of the family and / or the management team?
- 20-In general, how would you rate the effectiveness (obtaining good results) of your board of directors?
  - on the operating methods of the board;
  - whether important issues are properly prepared and discussed;
  - the actual contribution of each director to the work of the board.

21-Indicate what priority the board of directors gives to carrying out the following tasks:

- select new leaders
- determine the responsibilities of the leaders
- managing succession issues for managers
- maximise the value of the company for shareholders
- evaluate and control the leaders
- consolidate the reputation of the company
- consolidate the company's relational network
- advise leaders
- formulate and ratify the company's strategy
- facilitate access to external resources
- advising the family
- inform the family
- choose a successor

22-What is the proportion of female directors?

23-What is the number of women on the board of directors?

24-What is the number of men on the board of directors?

25-What is the age categories on the board of directors?

26-Are all the directors of French nationality?

27-What are the professional experiences of the directors prior to their appointment to the board of directors?

28-What are the personal experiences of directors prior to their appointment to the board of directors?

29-What is the educational level of each director?

## **II- Semi-open questions**

What are the main topics covered during the board's meetings? The behaviour of the CEO and the directors? The [collective, individual] projects?

2. How much time is spent on the different topics?

3. Can conflicts arise? If so, what kind of conflicts, how are they handled?

4. What information do you have before board meetings? How information are gathered?

5. Is an agenda established? by who ? can it be changed?

6. How are the meetings going? How is speaking time allocated?

7. Do you consult external advisors to make decisions? Who ? How? 'Or' What ?

8. Are sub-groups formed?

9. How decisions are made? How the discussions are organised?

10. Do you find yourself making a quick decision in a rush or to seize an opportunity?

### **III- Technical questions**

1. When can you say a business is doing well?
2. What important decisions have you made during the past 5 years? Are these decisions related to the activities cited? If so, which one?
3. Which bodies were involved in making these decisions [board of directors, family council; general meeting]? How [description of the speakers, the processes, the conduct of the debates, the contributions of each other ...]?
4. Could you talk about the personality of each director?
5. Could you talk about the behaviour of each administrator?
6. Is the subject of the succession a priority?
- 7- How is it discussed?
- 8- What are the contributions of each administrator in each discussion?
- 9- Is there a divergence of opinions because of the diversity of the directors?
- 10- What are the criteria for choosing a successor?

### **IV- Questions for each director**

- 1-Can you present yourself, your age, your diplomas, your professional background? What characterises you professionally, personally, education and expectations?
- 2-Why did you join the board?
- 3-How?
- 4-By whom?
- 5- How were you informed?
- 6-Why?
- 7-What are your motivations, your interests, your choices?
- 8-Are you on any other Board of Directors?
- 9-What relations do you have with the other members of the Board of Directors?

10-Can you describe a situation where these diversities that characterise you, have influenced your behaviour?

11-If a member of the Board of Directors gets angry, what do you do?

12-What guides your choices?

13-Can you associate your decisions or your choices with moments or experiences in your life?

14- Which ones?

15-How would you react if we choose a successor who would not be up to the task according to you?

### **V-Emotions**

1- Are there any emotions that appear during Board of Directors meetings?

2-What are these emotions?

3- Do these emotions make meetings run smoothly? Discussions? Decisions?

4- Do they help to develop satisfactory human relations? Better manage stress?

5-Is there a difference between the emotions expressed by directors of different ages? Different sex? Different experience? Different education or different nationality?

6- Have you noticed an emotional contagion (transfer of emotions from one person to another) between the directors?

7- Do emotions have an impact on efficiency (obtaining good results and achieving goals)?

8- Are they a restraint or an incentive?

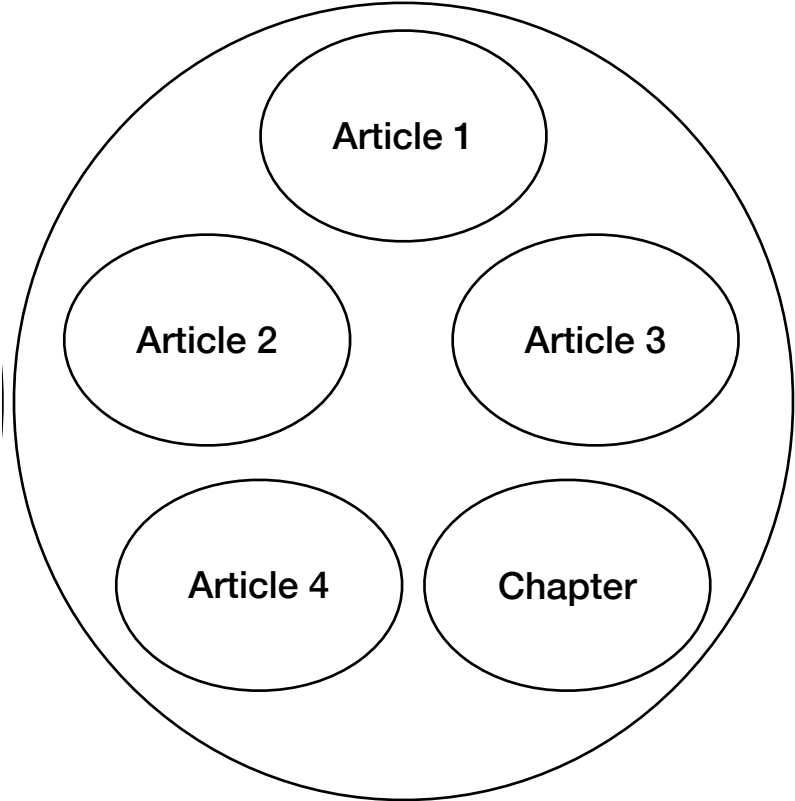
9- Are they hidden?

10- How are they controlled?

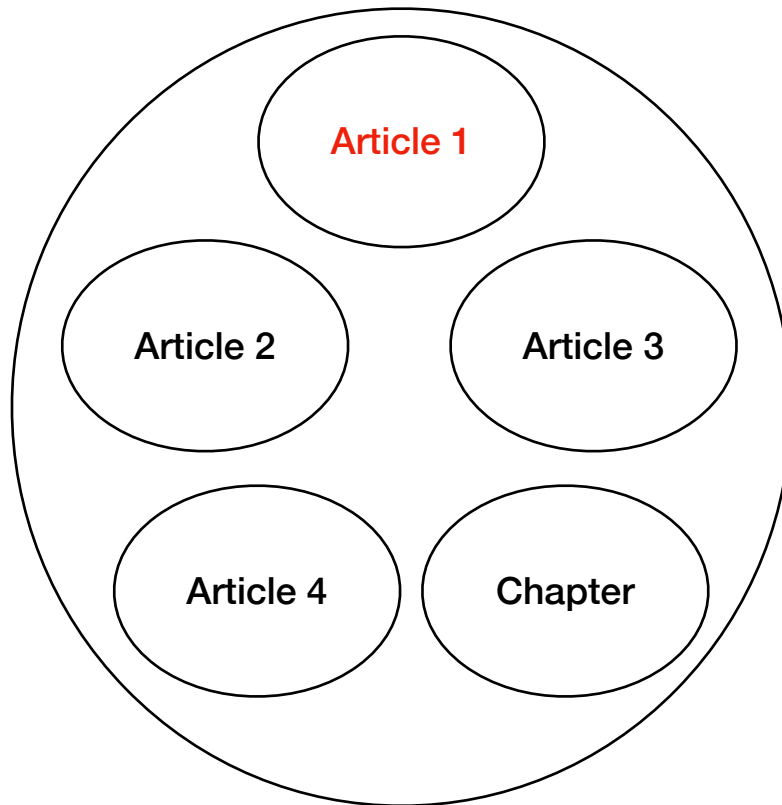
11- How are the emotions of the members of the Board of Directors managed?

**SECOND PART**

**2nd PART**



## 2nd PART



### **Article 1: Who I am affects what I do: How does diversity among the directors of medium-sized family firms influence board roles?**

International Journal of Entrepreneurship and Small Business, Special Issue on: "Business Transfers: An Opportunity for Dialogue between Entrepreneurship and Family Business Research ».  
[HCERES 2020 : C / FNEGE 2019 : 4] Under submission, Third round of revision

#### **Abstract:**

We expect diverse directors to carry out their monitoring and advisory roles, including succession planning, in such a way that their diversity affects the governance of firms. We conceive that the behaviour of a board of directors in a family firm is influenced by their demographic and cognitive diversity which is able to affect board roles.

We apply upper echelons theory (Hambrick & Mason, 1984) to six case studies of family businesses to highlight directors as resource providers for their firms, utilising their personal experiences and judgment, external connections and access to information. We argue that there is a relationship between the diversity (demographic and cognitive) of directors, their behaviour and their roles,



including succession planning, that contributes to the ability of family businesses to survive and prosper.

**Keywords:**

Board of directors, Governance, Cognitive diversity, Demographic diversity, Behaviour, Upper echelons theory.

## **Introduction**

Over the last two decades, several studies have concluded that family firms (FFs) play an important role in the economy, in areas such as employment, production and wealth creation (Family Firm Institute, 2018). The board of directors is the FF's central governance body (Nordqvist et al., 2014) and has been defined by Nordqvist et al. (2014) as a system of structures and processes for directing, controlling and accounting for an FF in the long term. The board is the internal governing mechanism that shapes firm governance and establishes the link with the other elements in the corporate governance triangle: managers and shareholders (owners). The board's roles and composition have stimulated a wide range of research (Lohe and Calabrò, 2017) but the literature on boards in family businesses is sparse (Bettinelli, 2011; Gersick and Feliu, 2014).

Therefore, in this paper, we explore the governance of medium-sized FFs (Kotlar and De Massis, 2013) and, in particular, the composition of the board of directors in such firms (Sciascia et al., 2013). Our paper expands the literature on board composition in medium-sized FFs (Howorth et al., 2016) by integrating two dimensions of diversity: demographic (age, gender and nationality) and cognitive (level of studies, professional and personal experiences). We argue that these dimensions encompass the characteristics of boardroom directors that are the key drivers for their behaviour. They are likely to influence boards of directors in FFs in terms of cooperation, outlook, problem-solving, communication, decision-making and choices made, etc. Our approach to understanding directors' behaviours is to explore their characteristics through their diversity. Therefore, our central argument is that understanding board roles is linked to the diversity of family and non-family directors. We argue that the behaviour of boards of directors in FFs is influenced by the demographic and cognitive diversity of their members and is able to affect board roles. Bird et al. (2012) have defined behaviour as 'the concrete enactment by individuals (or teams) of tasks or activities [...], which are required in some combination to start and grow most new organisations' (p.890). Behaviour is therefore associated with the activation of actions, activities by an individual or responses to stimuli in the context in which the individual evolves. Behaviours are particularly visible or audible (Aka et al., 2018). We argue that behaviour affects the roles of the board of directors in FFs and is affected by the characteristics of each member. Observing behaviour enables us to focus on the words and actions which shape the interactions of directors with others and affect the roles of the FF board.

Concerning diversity, Harrison and Klein (2007) have suggested that it 'is not one thing but three things. Diversity within an organisational unit may be indicative of *separation*, *variety*, and, finally, *disparity*' (p.1200). Applying Harrison and Klein's definition (2007) to our paper, diversity is variety. It is a reality created by individuals and groups from a broad spectrum of demographic and cognitive differences (Williamson, 2018). We consider that these diverse individuals belong to the same firm, their firm, and, in particular, to the board of directors and that they have different ideas and opinions about the situations they face.

This paper discusses board diversity in FFs. In the FFs considered by our study, power and control are in the hands of family members. The board of directors may have been appointed without following the same strict procedures of non-family firms. As a result, family directors of different genders, ages, ethnicities and educational backgrounds may lead the board of directors. Therefore, the diversity of directors may affect the roles of the board, which includes leading the facilitation of succession support systems (Arteaga and Menéndez-Requejo 2017; Songini et al. 2013). Indeed, a board of directors may choose successors, manage expectations of family members and successfully

manage the leadership transition process. Unfortunately, the literature has not focused on the impact of director diversity on board roles in medium-sized FFs. This is surprising given that the board in a private FF context may fulfil several important roles. Our study suggests considering the characteristics of the directors in the FF's boardroom within the upper echelons theory, since they represent a key attribute that can influence their roles. Upper echelons theory (Hambrick and Mason 1984, p.193) argues that 'organizational outcomes, strategic choices and performance levels, are partially predicted by managerial background characteristics'. According to this perspective, directors' demographic and cognitive diversity influence their behaviour, which – in turn – affect their roles.

Based on these observations, the objectives of this study are to investigate how diversity in medium-sized FFs influences board roles. Diversity affirms the existence of different characteristics and experiences that reflect a variety of individuals. Our aim is to observe the intersection and integration of the diversity of directors on the boards of FFs in order to offer a more comprehensive picture of the functioning of demographically and cognitively diverse individuals. This leads us to formulate the following research question:

How does demographic and cognitive diversity of directors affect their behaviour and how does it influence their roles in the boardroom of FFs?

This study makes four major contributions to family-business research. First, we consider two dimensions of director diversity: demographic and cognitive. To the best of our knowledge, several studies have examined one or two elements of demographic or cognitive diversity but have not considered them together in the same paper. Second, we identify the impact of director diversity on board roles in FFs. Third, we view behavioural dimensions through the lens of upper echelons theory (Hambrick & Mason, 1984) to identify how diversity factors affect board roles. Fourth, we select medium-sized FFs for our research as most prior research has been conducted on public listed companies.

The article is organised as follows. We begin by providing a literature review on diversity and suggesting a theoretical perspective for understanding board diversity. Then, we present our methodology in relation to case studies before discussing and theorising our results and their implications. We conclude by mentioning limitations and outlining possibilities for future research.

## **I-Literature Review**

### **1.1 The Composition of Boards of Directors in FFs**

Family businesses are complex entities in which the respective roles of family, management and shareholding are often confused (Gallo and Kenyon-Rouvinez, 2005; Lievens, 2006). Some scholars (Bartholomeusz and Tanewski, 2006; Van den Berghe and Carchon, 2002; Klein et al., 2005) suggest that, because of their specificity, FFs have 'unique' governance structures and mechanisms (Nordqvist and Melin, 2002; Van den Heuvel et al., 2006; Miller and Le Breton-Miller, 2006; Neubauer and Lank, 2016).

One of the most pressing questions that has gained attention but which still lacks specific answers is whether and to what extent boards of directors in FFs use different compositional logics (family vs

non-family directors, affiliate vs non-affiliate directors) and working styles and have diverse tasks and roles compared to those in non-FFs (Bammens et al., 2011; Bettinelli, 2011). For Cucari et al., (2018) how a board is configured in terms of its structure is a key determinant of what board members can do. ‘The literature mainly analyses board size and board composition as characteristics that influence the supervisory capacity of the board of directors’ (Villanueva-Villar *et al.*, 2016, p 234). Therefore, the composition of the board of directors plays a fundamental role in determining strategic decision-making (Forbes and Milliken, 1999; Michelon and Parbonetti, 2012; Cuadrado-Ballesteros *et al.*, 2017). In the literature, board composition in FFs has been considered in terms of the proportion of family directors and outside directors (Voordeckers et al., 2007) and whether or not the family directors work in the firm (Basco and Calabrò, 2017). However, the traditional distinction between inside and outside boards neglects the fact that generally two types of inside board exist: (1) those solely composed of family members and (2) those composed of family members and non-family members. Investigating the inner composition of the subgroup of directors with family ties, Basco and Calabrò (2017) show that ‘family directors’ are not a homogeneous group and that both active and passive family board members exist. Many scholars have theoretically and empirically explored board composition in family business research (Fiegener et al., 2000b; Voordeckers et al., 2007; Basco and Calabrò, 2017). However, the debate about board composition is still open (Adams et al., 2010). Indeed, there is a need for further empirical studies to capture the effects of family dimensions (Corbetta and Salvato, 2004a; Gómez-Mejía et al., 2011) on board composition beyond dichotomous categorisations such as inside-outside board member ratios (Voordeckers et al., 2007).

Is board composition the only element in explaining board functioning in FFs? According to Alderfer (1988), an effective board is not just a number of qualified individuals. It is the capability to create relationships among directors and between the board and the chief executive that permit full and frank discussions of the crucial issues that face the firm. It is also a group with the ability to recognise and work with its own group-dynamic forces. Diversity is considered to be an important aspect of board composition (Post et al., 2011, 2015). Board diversity has the potential to increase board effectiveness and performance (Rao and Tilt, 2016b). Therefore, we see many reasons for focusing attention on a broader set of aspects associated with the diversity of directors in FF boardrooms. Our approach takes into consideration family versus non-family dimensions and affiliated versus non-affiliated directors. However, we believe that a deeper understanding of the characteristics of directors will not only advance the current debate but also pose new challenges to the investigation of diversity dimensions.

## **1.2 Boards of Directors’ Roles and Diversity**

Corporate governance theory proposes that board structure has a strong influence on the actions of the board and higher management that ultimately affect firm performance (Kim et al., 2009). Astrachan et al. (2020, p.1) stated ‘A board’s oversight and guidance, based on the expertise, experience and personal qualities of its members, has always helped drive business success and survival’. Hence, the demographic and cognitive diversity of the board is one important dimension of board structure. According to Lane et al. (2006) and Van den Heuvel et al. (2006), the boards of family businesses need to carry out two roles – monitoring and advising – to perform their internal administrative function effectively and to maximise their contribution. The research has been dominated by the advisory role (Pugliese et al., 2009). After focusing on the control-oriented role, the literature has broadened its focus to comprise ‘how boards’ advice activities contribute to

strategy making which leads to a deeper examination of the characteristics of the directors within the board' (Barrett and Moores, 2020). Through the lens of resource dependence theory, the first advisory task of FFs is to offer complementary expertise to management.

The different types of diversity that we find among boardroom directors include age, gender, ethnicity, culture, religion, constituency representation, independence, professional background, knowledge, technical skills and expertise, commercial and industry experience, and career and life experience (Barrett and Moores, 2020).

Therefore, it will be relevant to see if there is a link between the diversity of board directors and the aforementioned roles.

### **1.2.1 Demographic Diversity**

The board of directors in an FF may include people of different ethnicity, gender and age. In the prior literature, the knowledge embodied in a firm's human and social capital can be a competitive advantage. According to Barrett and Moores, (2020), age diversity in the FFs boardroom has positive outcomes. It allows access to a wider range of means leading to speedy seizing opportunities. However, age diversity conflicts can arise between older and younger directors in the boardroom (Barrett and Moores, 2020). Regarding ethnic diversity, Cox (1996) has found that it increases the number of ideas, promotes creativity and leads to increased innovation. Wilson et al. (2013) revealed that UK FF appoint board members in close geographic proximity allowing the board to meet quickly in an emergency and thereby reduce the access to diverse perspectives. Beyond this, there appears to be little research about ethnic diversity on FF' boards (Barrett and Moores, 2020).

One important stream of research has focused on gender diversity on FFs' boards. According to Poletti-Hughes and Martinez Garcia (2020), the economic benefits from gender diversity on boards have been highlighted and explained through agency, resource dependence and human capital theories (Hillman, Withers, & Collins, 2009). According to these theories, the presence of female directors on the board increases the range of information that is available and enhances decision-making (Francoeur, Labelle, & Sinclair-Desgagné, 2008) and increases market penetration by virtue of greater understanding of the diverse range of customers and employees (Campbell & Mínguez-Vera, 2010). These benefits are relevant in FFs.

These viewpoints conform to the 'value in diversity' hypothesis (Cox et al., 1996) which states that the demographic diversity of board members should provide a broader range of knowledge, information and perspectives and is expected to lead to an improvement in firms' governance.

### **1.2.2 Cognitive Diversity**

Nowadays, the boardroom needs to reflect a diverse society within its governance roles. Outside the boardroom, society is more multicultural and comprises individuals from diverse backgrounds. Companies face a complex economy that demands sophisticated talent with global insight, multicultural fluency, technological literacy, entrepreneurial skills and the ability to manage increasingly delayed and disaggregated organisations (Chambers et al., 1998). Boards have realised that they can benefit from diversity and need to consider whether the composition of their boards meets today's business needs (Smith, 2001a; Biggins, 1999; Grady, 1999; Milliken and Martins, 1996).

According to Arzubiaga et al. (2018), prior literature has found that boards can improve a firm's performance through the capabilities and resources directors offer, and thereby have the potential to

provide competitive advantages for FFs (Bammens et al. 2011; Sirmon and Hitt, 2003). On the one hand, Arzubiaga et al. (2018) stated that directors are considered as having a high level of expertise, thanks to their general business knowledge and professional experience in strategic problem solving based on university training and outside work experience (Kim et al. 2009). In addition, they are perceived as experts given their specific knowledge about a firm's internal processes (Pugliese and Wenstøp, 2007; Zattoni et al., 2015) which allow them to influence the speed and breadth of strategic action capabilities (Kim et al. 2009). On the other hand, board members would benefit from a broader external resources made available by their multiple networks that FF often lack (Van den Heuvel et al., 2006) which may help the FF implement existing strategies (Wincent et al. 2014). Overall, research shows that appointments of directors from different backgrounds and bases of expertise offer different experiences and can make a valuable contribution to the governance of a firm (Zattoni and Pugliese, 2012; Pugliese and Wenstøp, 2007). In light of previous research, cognitively diverse board members need to put forward their different views and ideas in order to execute their roles.

The literature makes a distinction between inside and outside boards but this is not sufficient to study boards in FFs as there are several types of inside board. This paper focuses on the demographic and cognitive diversity of board members with the objective of examining the influence of both types of diversity on board roles. The demographic and cognitive diversity of directors is an important dimension of board structure. As argued by Chrisman et al. (2006), family business research must clarify 'how and why behaviours might vary across different types of family businesses and between family businesses and non-family businesses' (p.719). Accordingly, we will focus on observing how the diversity of directors in medium-sized FFs influences their behaviour and affects their roles in the boardroom.

### **1.3 The theoretical framework of the upper echelons theory**

One important stream of research has focused on upper echelons theory (Hambrick and Mason 1984) to identify top management team characteristics that are important components to analyze the strategic directions of the firms. In our paper, we respond to the call for more research on board composition by going beyond demographic variables and adding behavioural dimensions as family-oriented objectives (Adams et al., 2010). Our approach to understanding directors' behaviour is through exploring their characteristics. When the roles of boards of directors are studied, they cannot be detached from the individuals in the boardroom. De Massis et al. (2021) discussed how the psychological foundations of individuals in the management of FF, such as experiences, values... affect strategic decision-making and the outcomes of family firms. Therefore, the upper echelons theory (Hambrick & Mason, 1984) seems an interesting ground to our research. Upper echelons theory (Hambrick and Mason 1984, p.193) argues that 'organizational outcomes, strategic choices and performance levels, are partially predicted by managerial background characteristics'. Specifically, it states that organizational outcomes and strategy may be considered as reflections of the characteristics of powerful actors in organizations, especially its top managers (Hambrick and Mason 1984).

This theory has two interconnected parts: '(1) executives act on the basis of their personalised interpretations of the strategic situations they face and (2) these personalised construals are a function of the executives' experiences, values, and personalities' (p. 334). Ensley and Pearson (2005) extend the upper echelon perspective to the context of family firms, as the theory is especially helpful in understanding that "the family business creates a unique management situation

that results in both advantages and disadvantages to the firm” (p. 267). Röd, (2019), stated that the upper echelon perspective underlines the importance of the management team for a FF’s strategic behaviour and choices (Hambrick and Mason, 1984) and considered that the upper echelon perspective is a concept rooted in the behavioural theory of the firm which claims that behavioural factors of the firm’s management team influence complex strategic decisions (Hambrick and Mason, 1984). Particularly, diversity has the potential to provide management teams with different types of knowledge and decision-making styles and a greater variety of professional perspectives (Koryak et al., 2018). According to Day, (2020), through the lens of upper echelon theory (Hambrick & Mason, 1984), teams with diverse demographics will gather information from multiple sources and have different interpretations, opinions and attitudes about the collected data.

Indeed, we aim to understand why FFs do the things they do and how they do them the way they do. Therefore, we must consider the members of their governance body: the individuals on the board of directors. Moreover, upper echelons theory enables us to focus on the characteristics of the directors on the board in order to obtain a greater understanding of the roles they play in this governance body (Bromiley et al., 2016). At this point, it is worth noting that managing a FF is a shared activity and the collective cognitions, capabilities and interactions of the entire board of directors affect their behaviours. Therefore, we wish to verify that the roles of a board depend, at least in part, on the board’s composition and, in particular, on directors’ characteristics.

Hence, the upper echelons theory (Hambrick & Mason, 1984) will allow us to explain the impact of director diversity on the roles of the board. The idea is to demonstrate that ‘who I am influences what I do’. We explore the dynamic relationship between director behaviour and the governance of the firm to find out how the implementation of governance mechanisms is affected by the behaviour of the directors which, in turn, is influenced by their individual characteristics.

Based on the upper echelons theory (Hambrick & Mason, 1984), we suggest that ‘what I am’, which alludes to demographic and cognitive diversity (Drivers), influences ‘what I do’, which refers to the behaviours (Behaviours) of directors when they carry out their roles (Outcomes) on the board of the FF.

## **II-Methodology**

### **2.1 Research Design**

We suggest that the interpretive approach under the broader umbrella of qualitative methods is suitable for this research. As defined by Burrell and Morgan (1979), interpretive research involves investigating phenomena and interpreting reality in ways that reveal new theoretical and practical understandings. Hence, interpretive research uses an iterative process, where the researcher goes back and forth between the theoretical framework and the empirical material gathered to extend and build new theoretical insights (Parada, Nordqvist and Gimeno, 2010). This approach is particularly useful to provide insights into the specific challenges facing family businesses (Nordqvist, Hall, and Melin, 2009).

Our approach was abductive (Alvesson and Sköldbberg, 2000; Nordqvist, Hall, & Melin, 2009, Nordqvist and Melin, 2010). By abduction, we try to approach the phenomenon to study with a minimum of ideas preconceived in order to ‘let the field speak’; that is to say, trying to make ourselves as receptive as possible to the reality that emerges from our observations.

Abductive reasoning usually starts with an incomplete set of observations and leads to the most likely explanation for the group of observations. It is typically used as the process of looking for an explanation for a surprising observation (Aliseda, 2006; Magnani, 2001).

The case study research method provides an in-depth analysis of the phenomena within their own context which allows us to deduce that those observed are authentic representations of the studied reality (De Massis and Kammerlander, 2020). In short, it is a method that is appropriate for capturing the specific complexity and dynamics unique to family businesses (De Massis and Kotlar, 2014). The definition of the case study method is provided by Yin (2009, p. 18): ‘An empirical inquiry that investigates a contemporary phenomenon in depth and within its real-life context, especially when the boundaries and phenomenon are not clearly evident’.

Thus, case-based exploratory methods are most appropriate (Eisenhardt, 1989; De Massis and Kammerlander, 2020), case-based exploratory methods are most appropriate (Eisenhardt, 1989; De Massis and Kammerlander, 2020),

## **2.2 Selection of Cases**

For our research we have adopted the definition of FFs proposed by Litz (1995): ‘a business firm may be considered a family business to the extent that its ownership and management are concentrated within a family unit, and to the extent its members strive to achieve and/or maintain intra-organisational family-based relatedness’ (p.78). We were introduced to 30 FFs through our contacts; these contacts knew the Chairman and/or the CEO of the FF. Six of them agreed to participate in our research project. In seeking potential cases, the first condition to be met was the size of the FF. We chose medium-sized FFs because of the gap in the literature related to this size (Bammens et al., 2011). In the European Union, for example, mid-size companies are those with 50 to 250 workers and annual revenue of less than 50 million euros, which – as of mid-2019 – equalled about \$56 million. Our sample is drawn from two different countries (France and Switzerland).

We are interested in examining board composition in private medium-sized FFs by integrating two dimensions of diversity – the demographic (age, gender and nationality) and the cognitive (level of studies and professional and personal experiences) – and we focus on boards composed of diverse directors mainly belonging to the family. Four cases have family and/or non-family directors on their boards. Following “polar types” sampling approach (Eisenhardt & Graebner, 2007), we included two ‘negative’ cases in our sample in order to more easily observe contrasting patterns in the data. As these FFs have only family directors on their boards, their inclusion allowed us to analyse how their behaviour and roles differ from the other cases. The criteria for case selection were FFs which are preparing for or thinking about the succession process and trying to choose a successor. Moreover, the characteristics of the directors (their demographic and cognitive diversity) and the composition of boards of directors are relevant to our research (separation or unification of the functions of chair of the board and CEO, percentages of family and non-family directors and affiliates and non-affiliates). The six medium-sized family businesses work in different economic sectors. Table A summarises the characteristics of each case.

Given these differences among the types of directors in FFs’ Boards, we felt that this sample would provide enough distinct windows through which to view the behaviour of each director (Kotlar & De Massis, 2014). The final sample consists of six medium-sized cases and is consistent with the



four-to-ten case scale proposed by case study methodology (Eisenhardt, 1989), considered appropriate to reach theoretical saturation (Eisenhardt, 1989).

**Table A. Case Description**

<b>Company</b>	<b>Description</b>
Case 1	Case 1 is a third-generation French medium-sized family business, having been founded in 1946 by the grandfather of the current chair. The company operates in the distribution sector, and is a national leader in the rental and leasing of industrial vehicles and trucks with drivers. The family holds approximately 92% of the capital. In October 2019, the current chair of the board of directors stepped down as CEO and his son succeeded him in this position. The board comprises three independent members (unrelated to the family or the company), two family members working in the company (the chair and the CEO/son) and two family members not working in the company (two daughters). The board meets four to five times per year.
Case 2	Case 2 is a fourth-generation French medium-sized family company that was founded in 1884. Its database helps customers to navigate the complex world of transport prices and regulations. It specialises in the business of debt collection agencies and customer financial information companies. It has experience in business information, finance and risk management. The family owns 100% of the company. The board is composed of three family members working in the company and two family members who retired after working in the company for several years. It meets formally four times per
Case 3	Case 3 is a second-generation Swiss medium-sized family business that was founded in 1938. Active since 1938 in the field of engineering, it creates and manages projects for public authorities and private clients. Its activity consists of designing, creating and developing living environments that respect both people and the environment. The family owns a 95% share in the company. In January 2019, the current chair of the board of directors stepped down as CEO and his son succeeded him in this position. The board is composed of two family members (the chair and the CEO/son) and one non-family member working in the company, who holds a small

Case 4	<p>The birth of Case 4 was in 1985 with a leveraged management buyout by the CEO, the main managers of the company and some financial organisations. It is a French medium-sized family business specialising in the design and manufacture of custom design interconnect. The firm interconnects electronic devices provided by different suppliers into one system. As an expert in cabling engineering, Case 4 is able to design the whole cabling network. Its engineers assist customers with the most appropriate tools, including simulation software and co-design in all the development stages: idea, concept, prototypes, industrialisation, volume ramp-up and mass production. It is a family business with a diverse management team of two family members. In 1998, the current chairman of the board of directors stepped down as CEO. His daughter succeeded him in this position. She has been designated as the successor to her father.</p>
Case 5	<p>Case 5 is a French medium-sized food company. It was founded in 1905. In France, this FF mainly markets ham, cured ham and other cured meats, poultry products, various meat products (pâtés, etc.), surimi and ready-made meals. Outside France, the company is present in eight countries (Canada, Norway, Belgium, Luxembourg, Switzerland, Slovenia, Italy and Spain) and has seven production sites. The service business consists of three strands: the delivery of boxes and meal trays to companies, airline catering and hospital catering. One hundred and sixteen years later, the company is still independent and family owned. The chairman belongs to the fifth generation. He joined the family business in 2001. He was Vice President in charge of strategy and investments. He has been chairman of the board of directors since the beginning of 2009. The board of directors is responsible for reviewing and approving the direction of the business. It is made up of five independent directors, five directors representing the founding families and two directors representing employees. The presence of independent directors is part of the FF's desire to reconcile good management, security and sustainability. The board of directors met five times in 2016. Within the board, specialised committees are responsible for improving operations and helping to make decisions.</p>

Case 6	<p>Case 6, this medium-sized family business, a wallpaper distributor, is a French brand based in the east of France. It was founded in 1969 by the father of the current CEO. After his death in 2000, the second generation took over the management of the company. The eldest son has since taken over the reins and manages the family business. It is an accessible brand that caters for everyone, from the general public to the experienced interior designer. Today, it is a real competitor in the world of decoration, having asserted itself with an urban clientele. With the launch of international e-shops in 2019, this family-run business is taking a major step forward in its corporate history. The board of directors is responsible for examining and approving the strategy of the group. The board is made up of five independent directors, five directors representing the founding families and two directors representing employees. The presence of independent directors reflects the group's desire to reconcile good management, security and sustainability. The board is governed by precise internal rules, and it met five times in 2016. Within the board, specialised committees are responsible for improving the way the group operates and helping to make decisions.</p>
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### **2.3 Data Collection**

We used interviews to collect our data. According to Picken (2017), the interview is a common data collection method enabling us to obtain better qualitative information than a written questionnaire. The interview, which is recorded and transcribed, enables us to deepen our analysis in order to support our argument and recommendations.

We used an interview guide to ensure that all elements of the conceptual framework were covered. The guide was inspired by our literature review on the composition of boards of directors in FFs and was also used in a larger research project. It is comprised of five parts: (1) general information about the firm, history, number of generations, shareholders, governance and composition of the board of directors; (2) specific questions about the board of directors and their discussions and decisions; (3) specific questions about the personality and the behaviour of each director as viewed by the other directors; (4) questions to enable directors to introduce themselves, which concern age, professional and personal experiences, motivations, decisions, choices, interests and behaviour; and (5) emotions experienced by directors during board meetings and their management and influence. We conducted semi-directive interviews by phone or Skype with the CEO and members of the board.

We conducted one interview with each respondent, each lasting between 40 minutes and 2 hours. The interviews enabled us to learn about respondents' knowledge of their organisation and their feelings towards governance diversity in the company and to gain a deeper knowledge of their personal and professional characteristics and how they affect their behaviour. We did not interview

all of the board members. Those interviewed were selected and introduced to us mainly by the chair and comprised family and non-family members and affiliated and non-affiliated members. Tables B1, B2, B3, B4, B5 and B6 summarise the characteristics of the interviewed directors: their demographic and cognitive diversity, whether they are family members or not and whether they are affiliated or not. For confidentiality reasons, names have been modified.

**Table B1. Overview of Diversity on the Board of Directors in Case 1**

	<b>Demographic Diversity Age/Gender/Nationality</b>	<b>Cognitive Diversity Level of Studies/Professional/ Personal Experiences</b>	<b>Family Director vs Non- family Director</b>	<b>Affiliate Director vs Non- affiliate Director</b>
<b>Mike</b>	63/man/French	Did a postgraduate degree during his professional life: MBA at HEC	Family (father) Chair	Affiliate
<b>Marc</b>	37/man/French	HEC and Sciences PO graduate and bachelor's degree in philosophy. Objective: to work in the business world. Only one previous employer (strategy consulting firm) before joining the family business.	Family (son) CEO	Affiliate
<b>Peter</b>	56/man/French	Experience in the financial field from working for an investment fund. Contribution: analysis of accounts, companies to be acquired and sometimes type of management.	Non- family	Non- affiliate
<b>Mary</b>	35/woman/French	Attended a business school. Works in the field of management control in companies.	Family (daughter)	Non- affiliate
<b>Helen</b>	50/woman/French	Human resources profile. Worked as a human resources manager and an individual coach.	Non-family	Non- affiliate

**Table B2. Overview of Diversity on the Board of Directors in Case 2**

	<b>Demographic Diversity Age/Gender/Nationality</b>	<b>Cognitive Diversity Level of Studies/Professional/Personal Experiences</b>	<b>Family Director vs Non-family Director</b>	<b>Affiliate Director vs Non-affiliate Director</b>
<b>Andrew</b>	68/man/French	Has a doctorate in law, did graduate studies in political science and two graduate degrees. Was moving towards a career that was not necessarily that of the family business.	Family (brother) Chair	Affiliate
<b>Anna</b>	50/woman/French	Has a master's degree in political science. Has always worked in the company.	Family (sister)	Affiliate
<b>Henry</b>	65/man/French	Has a management degree from IPAG, Paris. Then attended training courses that opened his mind to all aspects of business strategy. Has always worked in the company.	Family (cousin)	Affiliate

**Table B3. Overview of Diversity on the Board of Directors in Case 3**

	<b>Demographic Diversity Age/Gender/Nationality</b>	<b>Cognitive Diversity Level of Studies/Professional/Personal Experiences</b>	<b>Family Director vs Non-family Director</b>	<b>Affiliate Director vs Non-affiliate Director</b>
<b>David</b>	62/man/Swiss	Has a degree in civil engineering, which called for a very organised approach and enabled him to set up a whole management system. Has an interest in land use, planning and the environment.	Family (father) Chair	Affiliate
<b>Martin</b>	33/man/Swiss	A social worker. Has worked in carpentry. Then did an MBA and is currently doing a DBA.	Family (son) CEO	Affiliate
<b>Jim</b>	54/man/Swiss	An environmental engineer. Studied at two polytechnic schools in Lausanne and Zurich. Did a thesis in Canada in the field of drinking water treatment, which is an important area of the company's activity.	Non-family	Affiliate

**Table B4. Overview of Diversity on the Board of Directors in Case 4**

	<b>Demographic Diversity Age/Gender/Nationality</b>	<b>Cognitive Diversity Level of Studies/Professional/Personal Experiences</b>	<b>Family Director vs Non-family Director</b>	<b>Affiliate Director vs Non-affiliate Director</b>
<b>Charles</b>	78/man/French	Has a degree in electrical engineering. Has several professional experiences outside the family business.	Family (Father) Chair	Affiliate
<b>Vicky</b>	50/woman/French	Has a degree in civil engineering Has worked outside the family business in the construction sector.	Family (Daughter)	Affiliate

**Table B5. Overview of Diversity on the Board of Directors in Case 5**

	<b>Demographic Diversity Age/Gender/Nationality</b>	<b>Cognitive Diversity Level of Studies/Professional/Personal Experiences</b>	<b>Family Director vs Non-family Director</b>	<b>Affiliate Director vs Non-affiliate Director</b>
<b>Thomas</b>	56/man/French	Has a master's degree in management science. Has several professional experiences outside the family business in mass retailing.	Family (brother) Chair	Affiliate
<b>Rosa</b>	54/woman/French	Has entrepreneurial experiences.	Family (sister)	Non- affiliate
<b>Lena</b>	60/ woman/French	Has A MBA. Has a long experience in the food industry.	Non-Family	Non- affiliate

**Table B6. Overview of Diversity on the Board of Directors in Case 6**

	<b>Demographic Diversity Age/Gender/Nationality</b>	<b>Cognitive Diversity Level of Studies/Professional/Personal Experiences</b>	<b>Family Director vs Non-family Director</b>	<b>Affiliate Director vs Non-affiliate Director</b>
<b>Andrea</b>	54/man/French	Has a master's degree in computer science. Has always worked in the company.	Family Chair	Affiliate
<b>John</b>	45/ man/French	Has a master's degree in psychology and in management science. Has always worked in the company.	Non-Family	Affiliate
<b>Nick</b>	48/man/French	Has a degree in commerce. Has several professional experiences outside the family business in mass retailing.	Non-Family	Affiliate

## **2.4 Data Analysis**

All interviews were conducted by us, registered and have delivered points of view that allowed us to highlight some elements of the research question in relation to the data previously reported in the literature. The general questions about the firm and the functioning of the board have enabled us to find out about the roles played by the board members we interviewed. In addition, we wanted to obtain a deeper knowledge about the contributions of each director.

As previously mentioned, we aim to verify that ‘what I am’, which includes demographic and cognitive diversity, influences ‘what I do’, that is to say the behaviour of directors when they carry out their roles on the board of the FF. In order to do this, we asked the following questions: What characterises you professionally, personally, educationally and in terms of expectations? What guides your choices? Can you relate your decisions or choices to moments or experiences in your life? Some respondents limited themselves to answering these questions while others provided more details, talking about their private lives their families and their personalities. In answering our questions, they shared their personal experiences with us, speaking about personal events that have marked them and that influence their behaviour. They recalled events, situations or conditions that have impacted on their lives and influenced their choices and behaviour, for example, death, illness, financial difficulties, relationship problems and violence. They talked about the presence of certain people in their lives who have influenced them, either as role models or as challenges. Some respondents also highlighted their professional experiences and the contribution of these experiences to their choices. This was a very enriching part of the interview for us. We then made the link between this personal part which describes ‘who I am’ and the roles individuals play on the board of directors, which enabled us to see how they acted and what influenced their behaviour.

We transcribed the interviews in order to examine the information obtained and identify its relevance in the context of our research. We began by reading the transcripts. Then, we coded the relevant items by actions, activities, studies, experiences, personal backgrounds and differences, to suggest the concepts that explain the phenomena under observation. We tried to counter any possible bias by not deviating from the data – the transcripts. The next step was to create categories by amalgamating several codes. The manual codification of the mass of information collected has allowed us to classify, compile, thoroughly analyse and cross-check the data and components under

study, thereby facilitating the interpretation of results. As shown in our data structure (see Figure 1), in the first order concepts we provide the most representative quotes from our interviews to shed light on who the directors are. Next, we abstract the quotes to second order themes which highlight directors' actions which reflect their behaviour. Finally, we develop aggregate dimensions that allow us to explain the influence of the diversity of directors on their roles in the boardroom. In 'reaching closure', we went back and forth between our coded data and the literature on the diversity of boards of directors in FFs (Gioia et al., 2013) and saw an opportunity to extend the literature by positioning our model.

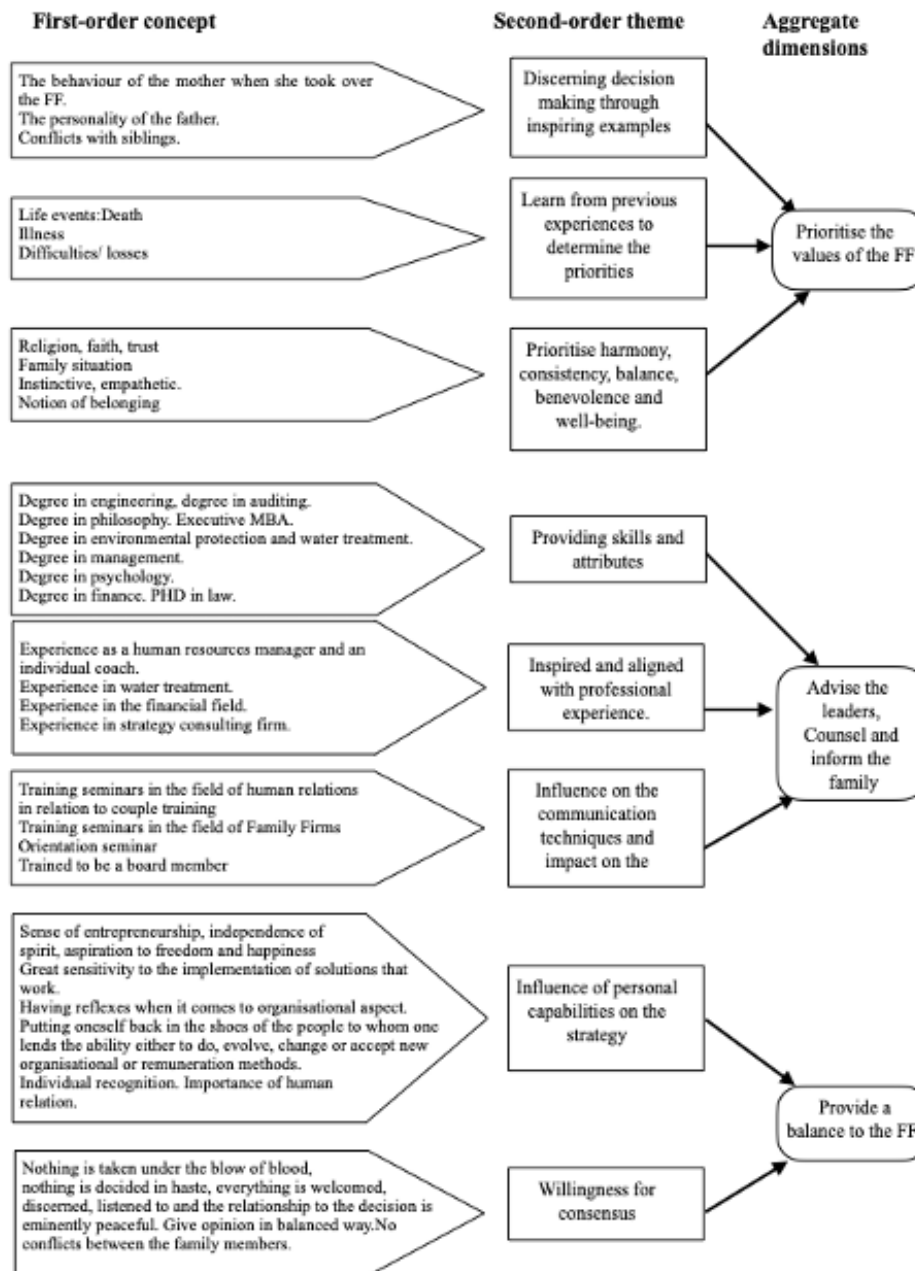


Figure :1 Data Structure

### **III-Results**

In the following, we provide an overview of the diversity of directors on the FF boards we observed in the case firms. We identified diversity as a driver and observed its behavioural and organizational outcomes on FF boards of directors. We theorise that board's roles are influenced by the behaviour of its directors which is linked to their characteristics (see Figure 2). The study's insights are also illustrated in Figure 3.

The boards of directors of the FFs in our sample demonstrate a high degree of alignment between the interests of the owner-directors and those of the directors. Whether they are family or non-family directors, affiliated or non-affiliated, they have agreed to be appointed to the board of directors of an FF to fulfil a certain role and to contribute to the governance of the FF. Their most important relationship is with the chair. Their tasks are to review the chair's performance and to provide advice about strategic orientations. The chair welcomes opinions provided by close and trusted directors to ensure the continuity of the FF.

The cases analysed show boards composed mainly of active family members who are committed to the company. They would not grant formal approval without reviewing, discussing and evaluating the firm's past performance and future plans. In case 2, Henry confirmed: 'I want to take part actively in the decisions when important issues are submitted to the board of directors'. Moreover, the involvement of the family in company ownership and management reveals less opposed objectives between the family and the company. This situation was particularly noticeable in cases 2 and 4 where the high degree of alignment of objectives and the lack of conflict between family members could explain the absence of outside directors.



Figure 2: Our Model



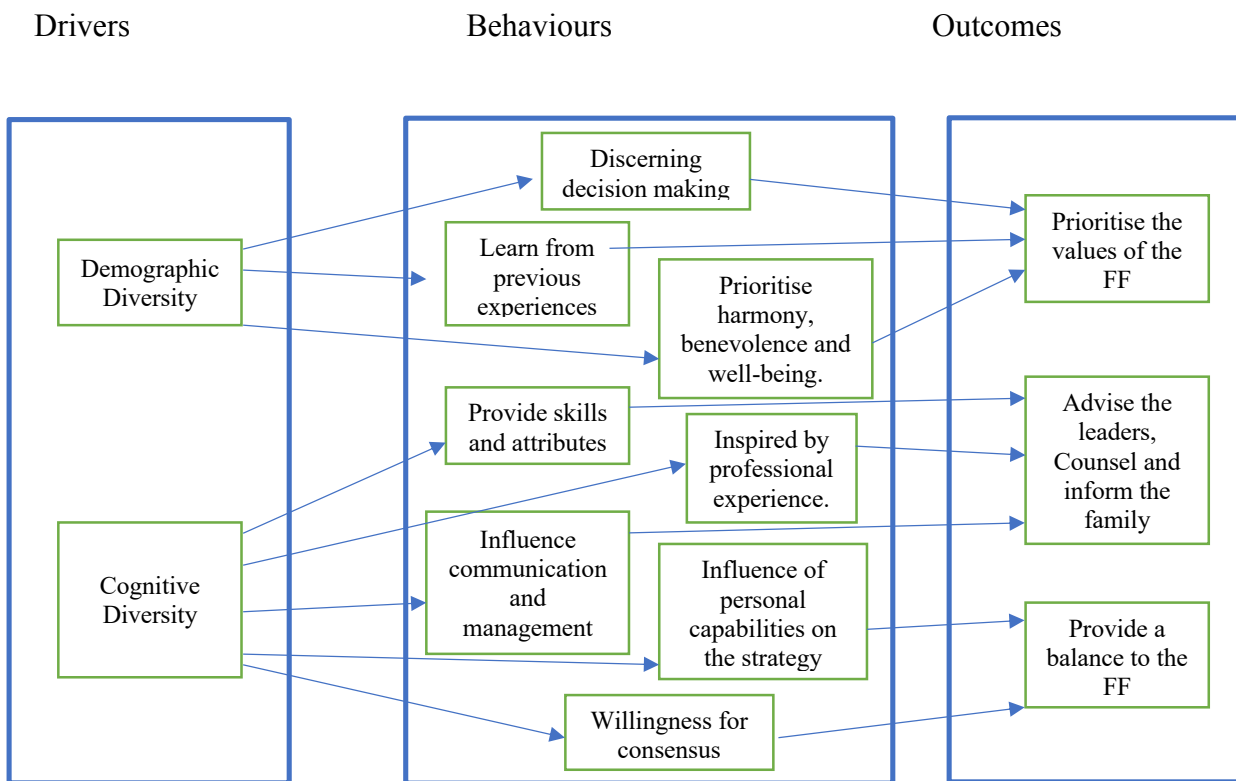


Figure 3 Our framework

## 1. Directors' diversity and behaviour

Different types of diversity induced different outcomes in directors behavioural patterns.

### Demographic diversity

We have observed directors' demographic diversity in FF' boards. Building on that, the case evidence revealed behavioural patterns.

Board members were of different ages with the older members sharing their experiences and wisdom and the younger members providing other perspectives and energy. The long careers of the older members give them the advantage of having experienced several business cycles. They use their previous experiences to share perspectives and provide expertise to help the FF address certain challenges more effectively and more wisely. The younger members are particularly well positioned to add value and provide different perspectives as companies address the new challenges that change brings. In case 3, Jim explained: 'I like to pass on my knowledge, to explain things to the youngest colleagues'. In case 4, the father is viewed by the daughter as an inspiring example. Vicky says: 'His personality is visionary, he sees very far, that's exceptional, he listens and decides quickly, he has charisma. He's very rigorous. He gets to the bottom of his files when he takes something in hand. When he sets himself a goal, nothing will stop him before he reaches the goal, no matter how difficult the path. There is always a solution.' In case 3, Martin stated: 'I bring a completely different eye because of the very diverse experience I have had throughout my career and this is what enriches our board because we are all very different'.

The relation between the older and the younger family members can be observed in the governance practice of separating the roles of the chair of the board and the CEO (cases 1, 3 and 4). The dual role was implemented in these cases for succession needs in order to facilitate the transition between the father and the son/daughter and to assure the FF's continuity. The behaviour of the both chairs, which is inspired by their diversity, was noticeable in their ability to let go. They were retiring in a certain way, in order to make way to the new CEOs. In case 3, David stated: 'I only go to the company when my son asks to come'. In case 1, Mike confirmed: 'My son know that I am available when he needs me'. In case 4, Charles said: 'When my daughter talks to the employees, I am silent, I listen, and if I want to make an observation, I do it in private with my daughter, not in front of the employees.'

Thus, age diversity influence behaviour particularly it comes to learn from previous experiences and determine priorities.

Moreover, women family members were present on the boards of cases 1,2,4 and 5. They were selected to understand the global challenges of the FF on the basis of their skills and experience rather than to meet a gender diversity requirement or because they are family members. They were exchanging and explaining issues to other female members of the family from other professional backgrounds. However, family members do not always have the knowledge required. Therefore, Mary, in case 1, and Rosa, in case 5 decided to undertake training before joining the board, in order to acquire the necessary skills. They wanted to play an effective role in the governance of the FF. They didn't want merely to sit on the board because they belong to the family, they want to be legitimate. They see the quality of governance as a primary condition for the firm's sustainability.

Rosa, in case 5, stated: 'I did a training course for directors (...) to try to fulfil my mission as a family director as well as possible (...), and it's true that this enabled me to really understand what the expectations of directors in general and family directors in particular were. (...).The fact that I had done this training made me feel more legitimate (...).And I managed to make my place on this board, and I'm delighted to be part of it now.'

The women's contributions in the FFs' boardroom, whether they belong to the family or not, have been identified in our data. In this sense, their colleagues and the firms' employees consider them to be supportive. They feel that they are part of a community of values, culture, desire and meaning because all members feed off each other. They give great importance to trust, fluidity, tranquillity and respect. In Case 1, Helen said, 'the circle of the family is a circle of trust'. In Case 4, Vicky confirmed: 'Faced with a crisis, we have the capacity to bounce back together. We can count on the loyalty of our employees. They can trust us because we keep the commitments we have made.' In Case 5, Rosa said in relation to long-term relationships, '[w]e are a family business in which there is a real communication, concern for the employee, concern for social issues'. As to corporate social responsibility, Lena stated that, Case 5 'has a great project. It's helping people eat better every day. It has a very positive impact on society, and it can show the way to other companies.' Women believe that the FF with all its members, including the management team and all the stakeholders, constitutes a community. Whatever the situation (positive or negative), the community as a whole will have the capacity to benefit and bounce back.

Moreover, the following comments show that women want to maintain peace and harmony in the family and in the firm by keeping away uncertainty, mediating, removing fear and avoiding conflicts. They are concerned about the welfare of both the family and the firm. They encourage their colleagues and subordinates and are supported by them. With regard to other stakeholders, especially employees, they enable them to understand the firm's strategic challenges. Thus,

gender diversity influences behaviour particularly when it comes to willingness for consensus, concern and support for others in the FF. Hence, in Case 2, Mary explained: ‘When we disagree, we say so. We engage with the others, we take a step back to find the right balance and the best solution. We listen to each other. No animosity.’ Talking about her empathy, in case 5, Rosa confirmed, ‘if I feel that someone isn’t doing well in the company, that worries me. The wellbeing of everyone is important for me.’

With regards to ethnic diversity, we did not have any international directors in our sample. Board members were of the same nationality. When we asked David, in case 3, if there were any other nationalities on the board, he answered: ‘They all have the Swiss culture’.

## **Cognitive diversity**

Diversity relates to board members’ functional, industrial, personal or educational background. A cognitively diverse board has major players within the organisation who affirm their own opinions and challenge the opinions of others. When we asked about the contributions of each director to discussions, Mary, in case 1, answered: ‘I will say that these contributions are of course impregnated by the professional experience of each one’.

In our sample, non-family board members have been recruited (cases 1 and 3) because of their area of expertise and experiences. In fact, owners seek the presence of trustworthy and competent people within their company in order to provide support and advice to management. In our sample, both affiliated and non-affiliated non-family directors had these attributes and family members trust them and are aware of their values. In case 3, the non-family affiliated director was appointed as a board member because of his qualifications in water treatment, which is a key sector for the FF.

We identified that a cognitive diverse board is capable to meet the needs of the FF and help achieve FF objectives of sustainability. Andrew, in case 2 stated: ‘The diverse points of view allow a rich and constructive debate’. Family board members join the family business because they want to be involved in the life of these firms and share their knowledge and experience, contributing their skills to the service of the company. Anna, in case 2 commented: ‘The choice of family directors was made on their ability to understand the strategic issues of the company’.

With regards to directors educational background, their degrees in different disciplines have equipped them with agency and a sense of purpose, and the competencies they need, to shape their own lives and contribute to the lives of others in the FF. Their level of education has thrived their knowledge, skills, attitudes and values that have shaped their behaviour. It allowed them to provide the necessary attributes. In case 3, David stated: ‘What characterises me is my training as a civil engineer, which is very structuring and quite square, and which has enabled me to set up a whole system of management’.

As to the training that the directors underwent, it improved their skills and knowledge and enabled them to transfer this input to the FF. The training they have followed has influenced their behaviour through their communication techniques and their management style.

In case 4, Charles confirmed: ‘this week of training was very formative and at the same time I am following these same ideas until now’. In case 3, David stated: ‘training seminars in the field of the human relations on the subject of couples’ therapy have influenced my communication

techniques and have an impact on my management style'. The training they have followed has influenced their behaviour through their communication techniques and their management style.

Professional experience is represented by directors as wealth. It has taught them several fundamental things in their daily lives, such as prudence and the need to repeat certain actions or methods that have proven to be effective over time. These contributions have influenced their behaviour. They allowed them to be aligned with their professional experiences. In case 3, Jim, who holds a PHD in water treatment, stated: 'I've always been interested in environmental protection, water protection, water treatment, it's something that has always interested me and it's become the common thread in my professional career'. In case 5, Lena, specialized in CSR, stated 'in my CSR approach we work on the vision of the market, we work on what our business is, we're going to integrate the elements of societal trends, what our business is, how to make it evolve, what our culture is, what we want to keep, what we want to change, what our values are, what the rules of the game are to work better together, what our positioning is and then we do the work to make it'. In case 1, Helen, who is a specialist in human resources, confirmed: 'what is important is the human relationship, being able to relate to people, listening to them, working coherently, taking responsibility for one's words'.

Finally, values are fundamental beliefs that guide the directors or motivate their attitudes or actions. They help them to determine what is their priority. They provide the general guidelines for conduct. These values influence their behaviour through their discerning decision making.

In case 1, Peter stated 'I am probably nurtured by this parable of the talents which compels me in everything I do to go after what God has given me and with wisdom I am now learning to accept the affinity of what God has given me to do'. In case 1, Helen confirmed: 'there is this notion of belonging which is important for me, i.e. to feel part of a company'.

## **2. Directors' diversity and roles**

Building on the behavioural patterns induced by diversity we observed specific organizational outcomes. The aforementioned behavioural patterns have also yielded to novel roles.

We have identified in our data three roles.

The first role is 'Prioritise the core values of the FF'. According to the directors in the boardroom, the FF is based on human roots, corporate culture, and loyalty to values. In this sense, their colleagues and the firms' employees consider them to be supportive. They feel that they are part of a community of values, culture, desire and meaning because all members feed off each other. They give great importance to trust, fluidity, tranquillity and respect. The strong relationships among each other, the shared tradition as a family business, and the feeling of having a common purpose, led to a cohesion within the board of directors and among the employees, who feel like being part of the family. Interestingly, this effect became evident in all our case firms but was explained differently by the interviewees.

In Case 1, Helen said, 'the circle of the family is a circle of trust'. In Case 4, Vicky confirmed: 'Faced with a crisis, we have the capacity to bounce back together. We can count on the loyalty of our employees. They can trust us because we keep the commitments we have made.' In Case 5, Rosa said in relation to long-term relationships, '[w]e are a family business in which there is a real communication, concern for the employee, concern for social issues'.

The first role highlights the core values and foundations in FFs. Directors believe that the FF with all its members, including the management team and all the stakeholders, constitutes a community. Whatever the situation (positive or negative), the community as a whole will have

the capacity to benefit and bounce back. If we refer to our framework (figure 3), we notice that this first role derives from demographic diversity. Building on that, in the business dimension, the case evidence revealed the link between directors' diversity and the organizational outcomes ( the roles they play in the boardroom).

The second role we have observed is to advise board members during the decision-making process. This includes providing valuable assistance, advice, and expertise to the FF. In addition, our interview analysis also demonstrate that sometimes, even if there is a debate, the role performed by the board of directors is to endorse decisions made by the chair and the CEO before the board meeting. In case 1, Marc stated: 'The decisions were still made a lot between my father and myself'. However, this role emphasizes the directors critical function in providing the knowledge, skills, experience, reputation, and contacts to the FF. The directors contribute through their skills to the Board's ability to carry out its tasks. The effective missions are reflected in particular in decisions on strategic orientations that create value for the FF.

The directors are at the heart of the decision-making process on strategic orientations in line with the expectations of the family shareholders and other stakeholders. The Board's decision then becomes the result of a consensus or a vote following a process of reflection led by the family and non-family members within the Board. They influence each other by sharing their perspectives and using factual or experience-based argumentation. Directors' knowledge and experience enable them to use their skills and implement an action. They have sufficient knowledge to understand the competence and communicate it and have reached a sufficient threshold of experience to apply a principle of action.

In other words, the directors' contributions depend on the directors' cognitive diversity.

The third role is 'Provide a balance to the FF'. This includes working together with staff, being able to liaise with all stakeholders, listening, working coherently, accepting people's word, acting with integrity, ensuring fulfilment in the workplace, desiring consensus, developing fruitful human relations and resolving problems and conflicts.

In addition to the ability to take the family business out of its inner circle to adopt an outside view, the directors are also expected to have the power to calm down debates or to steer them in a direction that is favourable to decision-making. They provide a new dynamic based not only on their specific expertise and on their experiences (professional and personal) but also on a different and complementary personality. They are trustworthy people who help to make and take the difficult decisions.

In Case 2, Mary explained: 'When we disagree, we say so. We engage with the others, we take a step back to find the right balance and the best solution. We listen to each other. No animosity.' In case 5, Rosa confirmed, 'if I feel that someone isn't doing well in the company, that worries me. The wellbeing of everyone is important for me.' These comments show that the directors in the boardroom are involved in the family and the business. They want to maintain peace and harmony in the family and in the firm by keeping away uncertainty, mediating, removing fear and avoiding conflicts. They are concerned about the welfare of both the family and the firm.

It is relevant to mention the contribution of the level of trust in our six cases. A high level of trust enables better communication and coordination. Directors will 'push the envelope' to engage in in-depth discussions, which could lead to constructive disagreements. During a board meeting, constructive discussions are initiated because of the existence of a high level of trust between the members of the board and the family. This mutual respect and confidence encourages team members to share their diverse views and provide useful knowledge. Although those who express differing views may feel uncertain about how they will be challenged and perceived, the trust that

prevails on the board will help reduce this uncertainty. Rosa, in case 5, stated: '(...) I am not afraid to challenge the management'. This role derives from directors' cognitive diversity.

### **Negative cases**

While they were all characterized by the influence of the owning family such influence was particularly strong in the cases with only family directors on the boards. In these cases, there are only family directors on the boards. This allows us to consider the drivers of behaviour and the question of whether all-family boards have the same behaviour and play the same roles.

In case 2, family directors were joining the FF's board directly after their studies. They didn't have any professional experience outside the FF which is considered a weakness. According to Henry, in case 2, 'when family directors are recruited without having professional experience, they ignore the environment outside the FF and this lack of experience, we can feel it in the debates and the decisions.' Therefore, in this case, the demographic diversity can be observed because of the presence of directors of different age and gender. However, cognitive diversity is limited to the level of education. Thus, the age and long tenure of the directors allowed them to have a deep knowledge of the FF and thereby participate in the functioning of the board. Yet, in this case, the influence of diversity on behaviour and on board's role was not observable.

In case 4, the chair of the board, Charles, has a former professional experience in several companies. He stated: 'What's interesting is that each past day serves the future day and it's true that I don't always realise it, but by taking a step back I lean on my experience almost every day and I also learn from the experiences in order to move forward, of course, and to plan the management and the company project.' In order to enhance his knowledge and skills, Charles has followed training courses. He confirmed: 'this week of training was very formative and I am applying what I have learnt until now'. As for Vicky, when her father asked her to join the FF, she wanted to be sure that she would be appointed because she had the appropriate skills. Her father stated: 'I ask her if you want to come and work with me. She answers maybe, but first I would like to ask you a question: what would you do if you found out that I was not suitable? I answer that I will fire you immediately. She says in that case, I'll come.' Vicky has a professional experience as a civil engineer outside the FF. Therefore, in this case, the demographic and cognitive diversity can be observed as well as the way they influence their behaviour and their roles in the FF.

### **IV-Discussion**

Our findings reveal that directors' demographic and cognitive diversity induce behavioural outcomes and thus generate organizational outcomes. Our research not only advances extant theory, as discussed below, but also provides important insights for management practice and policymaking. Our findings first contribute to research on the composition of the board of directors in FF (Bammens et al., 2011, Basco et al., 2015) by highlighting the relevance of the directors characteristics, whether they belong to the family or not.

These characteristics have been highlighted through the demographic and cognitive diversity of the directors in the boardroom. This subject has been researched in previous literature. Different types of diversity was examined among boardroom directors including age, gender, ethnicity, culture, religion, constituency representation, independence, professional background, knowledge, technical skills and expertise, commercial and industry experience, and career and life experience (Barrett and Moores, 2020). Overall, research shows that appointments of directors from different backgrounds and bases of expertise offer different experiences and can make a valuable contribution to the governance of a firm (Zattoni and Pugliese, 2012; Pugliese

and Wenstøp, 2007). However, ours is one of the first studies to explore the effect of the behavioural dimensions through the lens of upper echelons theory (Hambrick & Mason, 1984) to identify how diversity factors affect board roles. We want to prove ‘who I am influence what I do’ in order to offer a richest picture of the functioning of individuals with multiple aspects of diversity.

In a recent work, De Massis and Foss (2018) highlighted and explained the need to use ‘a micro-foundational lens in order to build and test theory that allows scholars to extend, enrich, and refine current knowledge on family enterprises’ (p.386). According to the explanation provided by these authors, ‘the micro typically involves individuals and their interactions, the macro may be, for example, firm-level outcomes, and furnishing micro-foundations then means providing a theoretically informed explanation of how firm-level outcomes emerge from the characteristics, behaviours, and interactions of individuals’). According to De Massis and Foss (2018), we still lack explanation about the mechanisms of choice and action at the micro level. They consider that ‘Ignoring the micro level is problematic because the predictions of our theory for macro-level phenomena may be wrong or incomplete (p.386). They have encourage additional research on individual action and interaction in order to understand ‘how individual-level factors impact organisations; and to understand the processes that aggregate individual actions into resultant firm behaviour outcomes’ (p.387).

The human and/ or the individual dimension is an application to micro-foundational thinking. Hence, businesses do not create value or performance, these are the outcomes of individuals actions and reaction in the business which involves paying attention to individual-level heterogeneity (Felin and Hesterly, 2007). The individual-level determinants should be examined deeply because according to De Massis and Foss (2018), we still have ‘a gap in understanding of micro-level conditions leading FF actors and decision-makers to execute the firm strategy’. Our work focus on the richness of human dimension. We could observe family members in the board who are not just sitting on the board because they belong to the family, they contribute efficiently to the functioning of the board. We have tried to understand and appreciate their characteristics and experiences, we found that their actions and choices mirror these characteristics. With regard to the composition of boards, boards where different attributes and levels of experience are mixed, contribute to better decision-making (Adams and Ferreira, 2009; Anderson, Reeb, Upadhyay and Zhao, 2011).

Therefore, in our paper, both family and non-family directors are considered as valuable resources to the FF due to their diversity. Thus, the perception of the composition of the board of directors in our work goes beyond the distinction outside/ inside directors.

Moreover, we highlighted the importance of directors’ diversity (demographic and cognitive) being a relevant reflection of what they are. Then, we tried to establish the reciprocal link between directors’ diversity, their behaviour and the roles they play in FFs board. Thus, the relation between directors’ diversity and their roles, succession being included in their roles, leads us to answer our research question. Hence, the human characteristic of directors in FFs boards influence their roles.

Thus, individual characteristics and their influence on behaviour are at the heart of our research. Grounded on Hambrick and Mason’s (1984) theory which links firm strategic decisions to the characteristics of upper echelon managers making those decisions, upper echelon research has

generally focused on how senior managers' characteristics influence firm strategic decisions (Bromiley et al., 2016). This stream of research has established that what managers, such as board members bring to the firm—their background, experience, qualifications, and connections—influences a variety of firm outcomes (Bromiley et al., 2016) which is in line with our observations and results. Hence, their behaviour is correlated to their demographic and cognitive diversity. We show that it comes from their inside but is also shaped by the situations that they have faced in the past and are facing in the present. Their behaviour is derived from their interactions with the others, from their interpretations of those interactions and observations, and from their choices when taking a decision. By highlighting directors demographic and cognitive diversity, we observed that their behaviour is influenced by what they are. This is also in line with our work which is grounded on the micro-foundation approach in the sense that a psychology-based understanding of the actions and interactions of individuals is used to explain their roles in the boardroom (De Massis et al. 2021).

According to the literature, the board of directors in FFs fulfils two roles: monitoring and advice (Lane et al., 2006, and Van den Heuvel et al., 2006). Hence, the roles of boards in FF are generally similar to those of non-family firms. Prior literature mentions monitoring and advice functions (Arosa et al., 2010; Bammens et al., 2008, 2011; Siebels and zu Knyphausen- Aufseß, 2012). Still, Astrachan et al. (2020) confirmed 'For family businesses with many shareholders, the board's role is especially critical. The board can help build and preserve family commitment and continuity when tough decisions must be made. It can be a trusted expert about future prospects and difficult but necessary changes, and a respected arbiter of the many tradeoffs between family benefits and business survival and prosperity' (p.1). The authors observe that the roles of the board of directors in FF go beyond this duality of roles mentioned in prior literature. Thus, FF boards, because of the existence of the family logic, functions differently (Bettinelli, 2011). In line with previous literature ((Bammens et al., 2011; Umans et al., 2020; Corbetta and Tomaselli, 1996; Neubauer and Lank, 1998), our results show that the board of directors perform specific roles.

More specifically, we aimed to outline how board diversity has a direct positive effect on the offering of advice and the exercising of control, as well as how diversity-advising and diversity-controlling relationships are advantageous because of the various perspectives and alternatives that can be generated by diverse directors. We offer novel insights on the roles of directors in FF boards. Our findings offer a fine-grained analysis of the functions of the directors. Following existing exploration in this field, our findings suggest that the directors play three roles: the advisory role as well as two other roles Prioritise the values of the FF and provide a balance to the FF. Broadly speaking, the study of this diversity of characteristics and its impact on the behaviour of directors and on the roles they play on the board of directors of FF lies in two points. The first is to prioritise the values of the FF through the existence of a shared vision among the directors whether they belong to the family or not. The second is the importance of the diversity of knowledge generated by the diversity of directors on the functioning and sustainability of the FF. Therefore, when diverse directors are exercising their roles, they are influenced by their demographic characteristics and their past personal and professional experiences. Consequently, the characteristics of directors may have an impact on their activities because these roles could be affected by the human capital of diverse directors who generate various perspectives, engender well-thought-out alternatives and, ultimately, lead to better decisions and give rise to improved succession planning.



Unfortunately, monitoring and control tasks were not observable in our sample. This is due to the power and control of the family members on the boards. In fact, the aim of the monitoring function is that the board monitors the management, on behalf of the owners, to ensure that the owners' interests are safeguarded (Hillman and Dalziel, 2003). When governance is conducted in FF, owners also being firm managers, the board would not be needed to fulfil the function of monitoring. Therefore, we identify diversity as a push and pull factor which influences directors' behaviour and roles.

Our data indicates the role played by the board of directors in preparing for succession, which is the result of 'push' behaviours by one or more directors on the board who make the CEO realise that they cannot continue forever in that role. This behaviour indicates directors' concerns about survival and sustainability. The board directors intervene to encourage the CEO to prepare properly for succession and assist them to identify potential candidates, whether internal or external. These findings are in line with previous literature (Umans et al.2020).

Board directors also participate in coaching and mentoring family members who have joined the business and may aspire to become future successors. Moreover, due to their experiences and competencies, diverse directors have broad perspectives and skills enabling them to identify strengths and areas in which a family member needs coaching and advice. By helping family members become effective business leaders, the board can facilitate the transfer of leadership and ownership of an FF from one generation to the next.

## **V- Limitations of this research**

Our research findings allow us to identify some limitations emerging from our study. When we chose the case study method, we were aware of the implications of having a limited number of informants. We knew that this presents significant a weakness in terms of generalisation of results. This research method provides an in-depth analysis of the phenomena in context to offer the possibility of developing historical parameters and to ensure strong internal validity; that is to say, the phenomena observed are authentic representations of the studied reality. In short, the case study method is appropriate for capturing the specific complexity and dynamics unique to family businesses. Case study research has a broad scope; it means conducting an empirical investigation of a contemporary phenomenon within its natural context using multiple sources of evidence (Yin, 2003).

This weakness in relation to generalisation can, however, be compensated for by the complementary use of quantitative research methods (Stake 1994, Scholz 2001, Woodside and Wilson 2003). For example, the results of the case study could be used to develop tools for quantitative collection of data from a statistically representative sample of the population in question.

The FFs in our sample were French and Swiss businesses. The cultural aspects of these countries could limit the transferability of our findings to other countries and different cultural settings. It should be noted that FFs are very diverse. To account for this, it will be relevant to explore the impact of directors' characteristics in FF boards on the roles they play in the boardroom in a broader sample of FFs.

## **Conclusion**

The purpose of this paper was to advance the understanding of how different types of director diversity on FF boards influence director behaviours and affect their roles on the board. Interestingly, the literature review revealed that no prior studies have focused on the impact of director diversity on board roles in medium-sized FFs. This study reveals that introducing diverse directors, whether family or non-family members, may provide diverse perspectives and contributions. We wish to highlight the impact of diversity on directors' behaviour and on board roles.

In terms of theoretical implications, our study underlines the importance of board diversity in FFs and identifies the upper echelons theory (Hambrick & Mason, 1984) as being fundamental to further progress in the study of diversity on FF boards. Hambrick and Mason (1984) and many other scholars showed that directors characteristics are important components to analyze the strategic directions of the firms. The upper echelons theory (Hambrick & Mason, 1984) provides a foundation for understanding the complexity of diversity. It underlines the importance of the directors in the board for a firm's strategic behavior and choices (Hambrick and Mason, 1984). Our research will help scholars better understand the effects of board composition, which is important because boards are considered major strategic assets (Kim et al. 2009). Moreover, our research will contribute to behavioral strategy which 'aims to bring realistic assumptions about human cognition, emotions, and social behavior to the strategic management of organizations and, thereby, to enrich strategy theory, empirical research, and real-world practice' (Powell, Lovallo & Fox, 2011: 1371).

Furthermore, interest in the implications of board diversity reaches beyond academia. From a managerial perspective, this study has important implications for practitioners. We believe that our research could have practical implications for the appointment of directors to the boards of family-owned businesses. When making such appointments, we can identify the importance of directors' demographic and cognitive characteristics and their contribution to board function and quality of debate on governance issues. Thus, we expect that our research will be useful for CEOs of family businesses to recruit suitable directors in order to ensure that the board has the knowledge and personalities to carry out its mission, based not only on the experience but also the diversity of its members.

In this article we focus on the roles of boards. However, we could go beyond this and observe the influence of diversity on the process which leads to a specific decision: the choice of a successor. Future research could investigate how cognitive and demographic diversity influence strategic formulation. The decision-making process, its control and/or its evaluation belong to the roles entrusted to the board of directors. Given the coexistence of economic and non-economic goals in FFs, an examination of succession planning that has been decided, advised on or organised by a diverse board would highlight the generational transitions that are strongly expressed in family businesses. We believe that future research that explores board behaviour through the diversity of directors would greatly increase our understanding of the link between board composition and decision-making.

Finally, this study provides input into the academic discussion on corporate governance and FFs, an area which needs research. We hope that our work will provide a step forward in determining and appreciating the influence of diversity on the boards of FFs.

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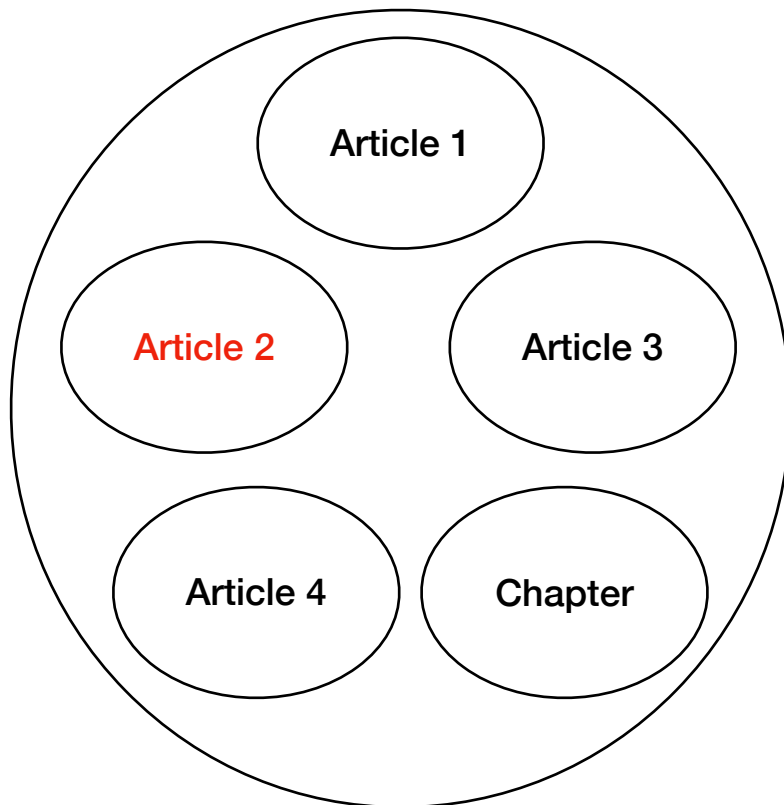
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## 2nd PART



### **Article 2: The influence of directors' past experiences on the choice of successor in family businesses.**

In the process of being submitted in Management International [HCERES 2020 : A / FNEGE 2019 : 2]

#### **Abstract:**

The study of board's composition in Family Firms has generated considerable scholarly attention. Recognising the central role of the board of directors as succession support systems, we argue that directors' past personal and professional experiences, in the boardroom of family firms are able to influence the choice of successors.

Drawing on mental time travel theory, our purpose is to contribute to the discussion about the relevance of interdisciplinary approaches by focusing on the suitability of the field of neuroscience to study and explain directors' choices.

Driven by the research question, our data, based on six case studies of family businesses, bring together three criteria set by the directors following their past experiences for choosing a successor:

1-Prioritise the values of the FF, ensure continuity and succession of the FF, 2- Acquire Professional experience and expertise before entering the FF and 3- Possess a strong ability to mobilise, to make the FF evolve and to lead.

**Keywords:**

Board of directors, Governance, Succession, Past experience, Mental time travel theory.

## **The influence of directors' experiences on the choice of a successor in family businesses**

### **Introduction**

Succession is an important challenge in Family Firms (FF) (Ahrens et al. 2019; Calabrò et al. 2018; Campopiano, Calabrò, and Basco 2020, Yezza, Chabaud, and Calabrò, 2021). Their main goal is the renewal of family bonds through dynastic succession (Berrone et al., 2012). Indeed, the issue of succession in FF has been the subject of an abundant academic literature (Daspit et al. 2016; De Massis, Chua, and Chrisman 2008; Steier, Chrisman, and Chua 2015). However, FF lean on the board of directors for preparing the succession process (Umans et al. 2020) because this governance body is responsible for overseeing leadership succession in order to attain FF continuity (Umans et al. 2020). The board of directors has been defined by Chrisman, Chua, Le Breton-Miller, Miller, and Steier (2018, p. 172) as 'setting the organisation's strategic direction' in addition to striking a dynamic equilibrium between the interests of the firm's dominant coalition and those of the other stakeholders who provide essential resources to the firm'. Recent studies pointed to the importance of governance systems of the family taking a leading facilitating role as succession support systems (Arteaga and Menéndez-Requejo 2017; Gnan et al. 2013). Hence, the board of directors in FF exerts a different set of board roles that are more family-related such as conflict resolution and succession (Ng and Roberts, 2007; Bammens et al., 2008; Basco et al., 2015).

Given the fact that the board of directors has key roles within the business system (Gnan et al. 2013), its composition in FF have stimulated a wide range of research (Lohe and Calabrò, 2017). As many family firms lack managerial competence, their directors support firm survival by providing valuable advice to improve decision quality (Calabrò et al., 2017).

However, this literature does not dig deeper in the human beings who composed this board whether they are members of the owner-family or not, which is surprising given its relevance in order to understand 'how individual-level factors impact organizations; and to understand the processes that aggregate individual actions into resultant firm behaviour outcomes' (De Massis et al., 2018, p.387). Therefore, it is relevant to have more information about the past experiences of each director in FFs boards.

According to De Massis et al., (2021), in FF, 'experiences and memories mold the strategic choices and governance dynamics' (p.20). They are considered by these authors as 'a springboard for understanding family firm decisions' (p.25). Therefore, we are responding to one of the research gaps emerging from De Massis et al., (2021) which raised an important question about the relationship between directors experiences and succession in FFs.

In our paper, we focus on directors' past experiences and argue that they influence the choice of the successor in FF given the fact that directors' experiences, knowledge, and values shape their choices (Hambrick, 2007).

We suggest using the theoretical lens of mental time travel which has been defined by Suddendorf and Corballis (2007, p. 299) as 'the faculty that allows humans to mentally project themselves backwards in time to re-live, or forwards to pre-live, events'. This theory is relevant to explain directors' choices, because they 'can draw on their wealth of lived experiences to aid them in making decisions' (De Massis et al., 2021, p.125) and particularly to choose a successor. Therefore, our problem statement is a question of understanding how past experiences shape the individual's

(director) perception of the successor and lead to settle a number of requirements when choosing this successor. A fundamental component of the decision is the fact that past events, or judgements, must be taken from memory, selecting those that are relevant to the present (Berthoz, 2012). These thinking thoughts about the past, are usually in the form of remembering events that they have experienced, and that they apply to the choices they want to make in the present in order to prepare the future.

Likewise, there have been several recent calls encouraging family business scholars to provide new empirical evidence on interdisciplinary approaches in the family business field in order to deepen our understanding (Nordqvist and Gartner, 2020). In fact, most research on FF is based on management and economics approaches (Neubaum, 2018; Payne 2018). ‘ For while founding our perspectives on established literature is a good practice, we also need to broaden our perspectives to seek out new ways of « seeing » and theorising’ (Payne, 2018, p. 173). Our purpose is to contribute to the discussion about the relevance of interdisciplinary approaches by focusing on the suitability of the field of neuroscience and in particular mental time travel to understand directors decisions.

Based on these observations and drawing on mental travel theory, the objective of this study is to investigate the influence of different experiences related to the directors on the boards of FFs in order to offer a more comprehensive picture of the contributions of diverse individuals. This leads us to formulate the following research question: How do directors’ experiences have an impact on the choice of the successor in FFs?

This paper aimed to contribute to the research on FF’ governance by using the field of neuroscience and in particular mental time travel to understand and explain the influence of directors’ past experiences on the choice of a successor in medium-sized FF.

The article is organised as follows. We begin by providing a literature review on directors’ characteristics in the boardroom of FFs. Next, we suggest the theoretical framework of mental travel to understand directors’ choices and decisions. Then, we present our cases and our methodology in relation to case studies before discussing and theorising our results and their implications. We conclude by mentioning limitations and outlining possibilities for future research.

## **I- Literature review**

This literature review identifies the research gaps. To do so, we start by exploring prior literature on the role of the board of directors in FF and on directors’ characteristics in the succession process. Then, we present previous research related to our theoretical framework: the mental time travel theory.

### **1.1 Board of directors roles in FF and directors’ characteristics for succession**

Prior literature related to board’s roles points out the existence of control tasks, sometimes referred to as monitoring, which includes directors’ involvement in the strategy formulation and implementation, and service tasks, which is often sub-divided into networking, advice and counsel (Lohe and Calabrò, 2017; Hillman and Dalziel, 2003; Johnson, Daily and Ellstrand, 1996; Zahra and Pearce, 1989). Research on FFs Boards focus on the role of corporate management mechanisms in the succession process (Botella-Carrubi et al., 2019). Hence, the board of directors have the task of ensuring the continuity of the FF (Berrone et al. 2012). Van den Heuvel et al. (2006) and Salvato

and Corbetta (2013) have shown the relevance of the board of directors in creating a family business context for succession. They identify two main roles of the board: Control and service. They consider that both roles are necessary to manage the succession process. Previous research explained that the role of the board of directors in FF is to facilitate the communication and transparency throughout the FF with regard to the succession process (Arteaga and Menéndez-Requejo 2017).

However, when the roles of boards of directors are studied, they cannot be detached from the individuals composing this governance body. Following the Resource Based View perspective, the directors in the boardroom are providers of key resources for succession (Botella-Carrubi et al. 2019). Their personal resources can be considered an important source of knowledge, skills, experience, and strategic perspectives for FF (Sirmon and Hitt, 2003).

With regard to the diversity of boards, that is, boards where different attributes, characteristics and levels of experience are mixed, it is not difficult to accept the idea that this greater diversity would provide better advice, thus allowing for better decision-making. In other words, by bringing together diverse individuals, resources of information, talent and ability can be accessed in greater volume (Adams and Ferreira, 2009; Anderson, Reeb, Upadhyay, and Zhao, 2011).

More specifically, it is suggested that the appointment of outside board members is highly important for FFs, as this demonstrates the family's commitment to objectivity and professionalism (Heidrick 1988; Hutcheson 1999; Ward 1988), which may be especially valuable during the succession process to encourage trusting relationships with external parties (Fiegener *et al.* 2000a; Gabrielsson and Huse 2005).

However, we believe that a deeper understanding of the characteristics of directors will not only advance the current debate but also pose new challenges to the investigation of diversity dimensions. De Massis et al. (2021) discussed how the psychological foundations of individuals in the management of FF, such as experiences, values... affect strategic decision-making and the outcomes of FF. In the literature, board composition in FFs has been considered in terms of the proportion of family directors and outside directors (Voordeckers et al., 2007) and whether or not the family directors work in the firm (Basco and Calabrò, 2017). It makes a distinction between inside and outside boards but this is not sufficient to study boards in FFs as it only highlights the affiliation or not to the family and neglects the human characteristics of the directors.

Indeed, Roullet and Droulers (2014), define governing or managing, if it is to know or understand others, is also and above all to decide, which means to opt for a choice that will be assumed to be optimal from the point of view of achieving a predetermined goal. The core of the mental travel approach is that decision-making in FFs is driven by past experiences of directors (Ernst, 2019). In this regard, we suggest that their past experience will influence a specific decision which is the choice of the successor.

## **1.2 The theoretical framework of mental time travel**

A remarkable ability of the human mind is to be able to detach itself temporarily from the immediate present to mentally travel into the past or future (Ernst, 2019). This ability, known as mental time travel, combines the concepts of autobiographical memory and future thought, which

allow us to mentally re-experience or pre-experience past or future personal events when they are evoked (Ernst, 2019).

As early as the 4th century, St. Augustine had the intuition of a close link between our ability to remember our past and to imagine our future. He writes: ' Thus, when we recount past events which have really taken place, memory reproduces not those events which are no longer, but the words which express the images which the events have engraved in our minds by passing through the senses, as traces of their passage' (St Augustine, Confessions, L. XI, about 400 AD). However, it was not until the end of the 20th century that mental time travel became an object of study in the field of cognitive neuroscience and constructive neuropsychology (Tulving, 1985). Thus, our memories would not consist of a passive 'replay' of representations stored in memory, but would be based on representations stored in memory, but on the contrary, they would be based on a reconstruction of events whose constituent elements (the place, the moment, the people present, what happened, etc.) will be recovered and recombined into a coherent whole with the initial event (Schacter and Addis, 2007).

According to several authors (Addis, 2018; Schacter et al., 2007; Suddendorf et al., 2009), the constructive nature of the autobiographical memory is due to the fact that its primary function is not so much to preserve exact copies of past events, but rather to provide the basic "ingredients" necessary for anticipation, reflection and imagination of future events. The memory would therefore be a kind of reservoir where information is stored that can be reused to form new future representations (Addis, 2018; Schacter et al., 2012; Suddendorf et al., 2009).

Addis and Schacter (2007) suggested a constructive episodic simulation hypothesis which offers a theoretical framework to explain the links between autobiographical memory and future thought on a cognitive and brain level. This hypothesis proposes that, on the one hand, both past and future mental representations are based on information stored in memory that is flexibly retrieved and recombined into a new coherent event.

Moreover, for Fischer (2002), 'Experience bears the imprint of the whole person. It contains ideas and concepts, thoughts and emotions and is therefore not confused with immediate perception' (p. 130). Hence, an individual's past experience has two dimensions: personal experience and professional experience. It is the individual's feeling, his perception of a particular event.

Several gaps in knowledge related to the experiences among family members, have been partially filled by more recent literature reviews (De Massis et al., 2021), though some important issues remain to be tackled, particularly the reciprocal link between directors experiences and the choice of the successor in FFs. More effort is necessary to analyse the complexity of these experiences and to understand how they matter when the successor should be chosen.

We answer this need for deepening understanding of experiences of directors on FF boards, which influence decisions, choices and actions. We aim to explore if directors' past experiences matter for succession. Drawing on mental time travel theory, this study examines how the different types of directors' past experiences work together to influence succession and particularly the choice of the successor.

Therefore, in this paper, we explore the governance of medium-sized FFs (Kotlar and De Massis, 2013) and, in particular, the composition of the board of directors in such firms (Sciascia et al., 2013). Our paper expands the literature on board composition in medium-sized FFs (Howorth et al., 2016) by highlighting the influence of directors previous experiences on the choice of the successor.

## **2 Method**

This part includes the research methodology of the paper. We outline the research strategy, the research approach, the research mode of reasoning, the case study as a method of data collection, the selection of the sample, the research process and the type of data analysis.

### **2.1 Research design**

We have followed an interpretive approach under the broader umbrella of qualitative methods. The interpretive paradigm aims to understand how the researcher constructs the meaning he or she gives to reality. The position of interpretive in relation to epistemology is that interpretive researchers believe that reality is multiple and relative (Cherkaoui and Haouata, 2017). Therefore, the goal of interpretive research is to understand and interpret the meanings of human behaviour rather than to generalise and predict cause and effect (Cherkaoui and Haouata, 2017). For an interpretive researcher, it is important to understand motives, meanings, reasons and other subjective experiences related to time and context (Neuman, 2007). Interpretive approaches give research the opportunity and freedom to address issues of influence and impact and to ask questions such as 'why' and 'how' particular technological trajectories are created (Avenier, 2011).

Our qualitative approach is based on abductive reasoning – reaching a probable conclusion based on what you know. Abduction is defined as ‘any proposition added to observed facts, tending to make them applicable in any way to other circumstances than those under which they are observed’ (Pierce, 1955, p. 150). This approach was chosen for two main reasons. First, this research is part of an exploratory process aimed at improving the understanding of complex phenomena and the specificity of their contents (Huberman and Miles, 1991). Second, we are not situated in a knowledge-free context, since we already have a theoretical basis to assist us. We approach the diversity phenomena in family business boards via abductive reasoning so that we may carry out the study with few preconceived ideas and ‘let the field speak’; that is to say, we try to be as receptive as possible to the reality that emerges from our observations.

The case study research method has been defined by Flyvbjerg (2011) as ‘an intensive analysis of an individual unit (as a person or community) stressing developmental factors in relation to environment’ (p.103).

This research method provides an in-depth analysis of the phenomena in context, and our observations are authentic representations of the studied reality. In short, it is a method that is appropriate for capturing the specific complexity and dynamics unique to family businesses.

### **2.2 Selection of cases**

For our research, we adopted the definition of FFs proposed by Litz (1995): ‘a business firm may be considered a family business to the extent that its ownership and management are concentrated within a family unit, and to the extent its members strive to achieve and/or maintain intra-organisational family-based relatedness’ (p. 78). We were introduced to 30 FFs through our contacts; these contacts knew the chairman and/or the CEO of the FFs. Six firms agreed to



participate in our research project. Our sample is drawn from two countries: France and Switzerland.

In seeking potential cases, the first condition to be met was the size of the FF. We choose medium-sized FFs because of the gap in the literature related to this category of FFs (Heinicke, 2018). In the European Union, medium-size companies are those with 50 to 250 workers and annual revenues of less than €50 million (about \$56 million as of mid-2019, European Commission 08/09/2020). The context of private medium-sized FFs is particularly appropriate for studying and observing the impact of diversity in boards. Private medium-sized FFs correspond to the definition adopted by the literature. They are typical FFs with a concentrated shareholder base and family member insiders who are active in management and on the board (Heinicke, 2018). We focused on boards composed of diverse directors mainly belonging to the family. Moreover, the characteristics of the directors (their personal and professional experience) and the composition of boards of directors are relevant to our research. An additional criterion for case selection was that the FF was preparing for, or thinking about the succession process and/or trying to choose a successor. The six medium-sized family businesses work in different economic sectors.

### **2.3 Description of the cases**

Case 1 is a third-generation French family business, having been founded in 1946 by the grandfather of the current chair. The company operates in the distribution sector, and is a national leader in the rental and leasing of industrial vehicles and trucks with drivers. The family holds approximately 92% of the capital. In October 2019, the current chair of the board of directors stepped down as CEO, and his son succeeded him in this position. The board comprises three independent members (unrelated to the family or the company), two family members working in the company (the chair and the CEO/son), and two family members not working in the company (two daughters). The board meets four to five times per year.

Case 2 is a fourth-generation French family company that was founded in 1884. Its database helps customers to navigate the complex world of transport prices and regulations. It specialises in the business of debt collection agencies and customer financial information companies. It has experience in business information, finance and risk management. The family owns 100% of the company. The board is composed of three family members who work in the company and two family members who retired after working in the company for several years. It meets formally four times per year and is preparing for the succession process.

The birth of Case 3 was in 1985 with a leveraged management buyout by the CEO, the main managers of the company and some financial organisations. It is a French group with over 1,800 staff worldwide specialising in the design and manufacture of custom design interconnect. The firm interconnects electronic devices provided by different suppliers into one system. As an expert in cabling engineering, Case 3 is able to design the whole cabling network. Its engineers assist customers with the most appropriate tools, including simulation software and co-design in all the development stages: idea, concept, prototypes, industrialisation, volume ramp-up and mass production. It is a family business with a diverse management team of two family members. In 1998, the current chairman of the board of directors stepped down as CEO. His daughter succeeded him in this position. She has been designated as the successor to her father.

Case 4 is a French food company. It was founded in 1905. In France, this FF mainly markets ham, cured ham and other cured meats, poultry products, various meat products (pâtés, etc.), surimi and ready-made meals. Outside France, the company is present in eight countries (Canada, Norway, Belgium, Luxembourg, Switzerland, Slovenia, Italy and Spain) and has seven production sites. The service business consists of three strands: the delivery of boxes and meal trays to companies, airline catering and hospital catering. One hundred and sixteen years later, the company is still independent and family owned. The chairman belongs to the fifth generation. He joined the family business in 2001. He was Vice President in charge of strategy and investments. He has been chairman of the board of directors since the beginning of 2009. The board of directors is responsible for reviewing and approving the direction of the business. It is made up of five independent directors, five directors representing the founding families and two directors representing employees. The presence of independent directors is part of the FF's desire to reconcile good management, security and sustainability. The board of directors met five times in 2016. Within the board, specialised committees are responsible for improving operations and helping to make decisions.

Case 5 is a second-generation Swiss family business that was founded in 1938. Active since 1938 in the field of engineering, it creates and manages projects for public authorities and private clients. Its activities consist of designing, creating and developing living environments that respect both people and the environment. The family owns a 95% share in the company. In January 2019, the current chair of the board of directors stepped down as CEO, and his son succeeded him in this position. The board is composed of two family members (the chair and the CEO/son) and one non-family member working in the company, who holds a small percentage of shares. It meets once a month.

Case 6 This family business, a wallpaper distributor, is a French brand based in the east of France. It was founded in 1969 by the father of the current CEO. After his death in 2000, the second generation took over the management of the company. The eldest son has since taken over the reins and manages the family business. It is an accessible brand that caters for everyone, from the general public to the experienced interior designer. Today, it is a real competitor in the world of decoration, having asserted itself with an urban clientele. With the launch of international e-shops in 2019, this family-run business is taking a major step forward in its corporate history. The board of directors is responsible for examining and approving the strategy of the firm . The board is made up of two non-family affiliated directors and a family CEO. The board met four times per year.

Table 1 summarises the characteristics of the six firms and the number of interviews completed in each case.

Table 1 Characteristics of the six firms and their boards

Case	Nationality	Activity	President	Board members	Male interviewees	Women on the Board	Female interviewees
1	French	Transportation	Family president	4 family members 3 non-family members	2 family members <b>Steven</b> <b>Anthony</b> 1 non-family member <b>Marc</b>	3 women: 2 family members (1 interviewed) 1 non-family member	<b>Helen:</b> family member <b>Victoria:</b> non-family member
2	French	Business information	Family president	5 family members	2 family members <b>John</b> <b>Mike</b>	2 women: 2 family members (1 interviewed)	<b>Mary:</b> family member
3	French	Cabling; Engineering	Family president	2 family members	1 family member <b>Charles</b>	1 woman: family member	<b>Vicky:</b> family member
4	French	Food company	Family president	5 family members; 7 non-family members	1 family member <b>Richard</b>	3 women: 1 family member (1 interviewed); 2 non-family members (1 interviewed)	<b>Ana:</b> family member <b>Lena:</b> non-family member
5	Swiss	Engineering	Family president	2 family members; 1 non-family member	2 family members <b>David</b> <b>Martin</b> 1 non-family member <b>Jim</b>	No women on the board	-

6	French	Decoration	Family president	1 family member; 2 non-family members	1 family member <b>Henry</b> 2 non-family members <b>Andrew</b> <b>Peter</b>	No women on the board	-
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## 2.4 Data collection

We collected data via interviews. According to Picken (2017), the interview is a common data collection method that can obtain a high standard of qualitative data. The interviews, which were recorded and transcribed, enabled us to support our argument and recommendations.

We used an interview guide to ensure that all elements of the conceptual framework were covered. The guide was inspired by our literature review on the composition of boards of directors in FFs, particularly on diversity within the board; it was also used in a larger research project. It is comprised of five parts: (1) general questions about the firm, history, number of generations, shareholders, governance and composition of the board of directors; (2) specific questions about the board of directors and their discussions and decisions; (3) specific questions about the personality and the behaviour of each director, as viewed by the other directors; (4) questions to enable directors to introduce themselves, which cover age, professional and personal experiences, motivations, decisions, choices, interests and behaviour; and (5) questions covering emotions experienced by directors during board meetings, including how these were managed and what influence these had. In order to answer our research question, we asked the following questions: What characterises you professionally, personally, educationally and in terms of expectations? What guides your choices? We asked these questions to women and men on the boards. The answers allowed us to deepen our knowledge of the persons composing the board of directors and to understand how their different types of experiences shape their decisions and actions.

We conducted 19 semi-structured interviews by phone or Skype with the CEO and some members of the board. Each respondent was interviewed once, and the interviews lasted between 40 minutes and 2 hours. These interviews allowed us to benefit from the interviewees' knowledge of the organisation, their attitudes towards governance diversity in the company and the contributions of each board member. The interviews provided subjective perceptions, which is consistent with other qualitative research in family businesses (Nordqvist et al., 2009), delivering points of view that offer explanatory potential regarding non-financial goals. Interviews were transcribed, and the data was coded according to categories inspired by the literature analysis. We compiled these categories according to key variables to facilitate interpretation of results. In total, nineteen semi-structured interviews were completed. For confidentiality, names have been modified.

## 2.5 Data analysis

All interviews were conducted by us, registered and have delivered points of view that allowed us to highlight some elements of the research question in relation to the data previously reported in the

literature. The questions about the firm and the functioning of the board have enabled us to find out about the roles played by board members' experiences. In addition, we wanted to obtain a deeper knowledge about the contributions of each director.

As previously mentioned, we aim to discover directors' experiences and how they shape their choices. Some respondents limited themselves to answering these questions while others provided more details.

We transcribed the interviews in order to examine the information obtained and identify its relevance in the context of our research. We began by reading the transcripts. Then, to identify the concepts that might explain the phenomena under observation, we coded the relevant items according to actions, activities, choices, experiences, personal backgrounds and differences. We tried to counter any possible bias by not deviating from the transcript data. The next step was to create categories by amalgamating several codes. The manual codification of the mass of information collected has allowed us to classify, compile, thoroughly analyse and cross-check the data, thereby facilitating the interpretation of results. When we coded data on experiences, we identified several types of experiences: personal and professional. The structure of our data is shown in Figure 1. First-order concepts were drawn from the most representative quotes from our interviews to shed light on the personal and professional experience of board members. Next, we organised the quotes into second-order themes which highlights the consequences of the various experiences. Finally, we developed aggregate dimensions that allowed us to itemise the criteria settled in order to choose a successor. In 'reaching closure' in line with the constructivist approach, we went back and forth between our coded data and the literature on diversity of boards of directors in FFs (Gioia et al., 2013); in this way, our model builds on and extends the literature.

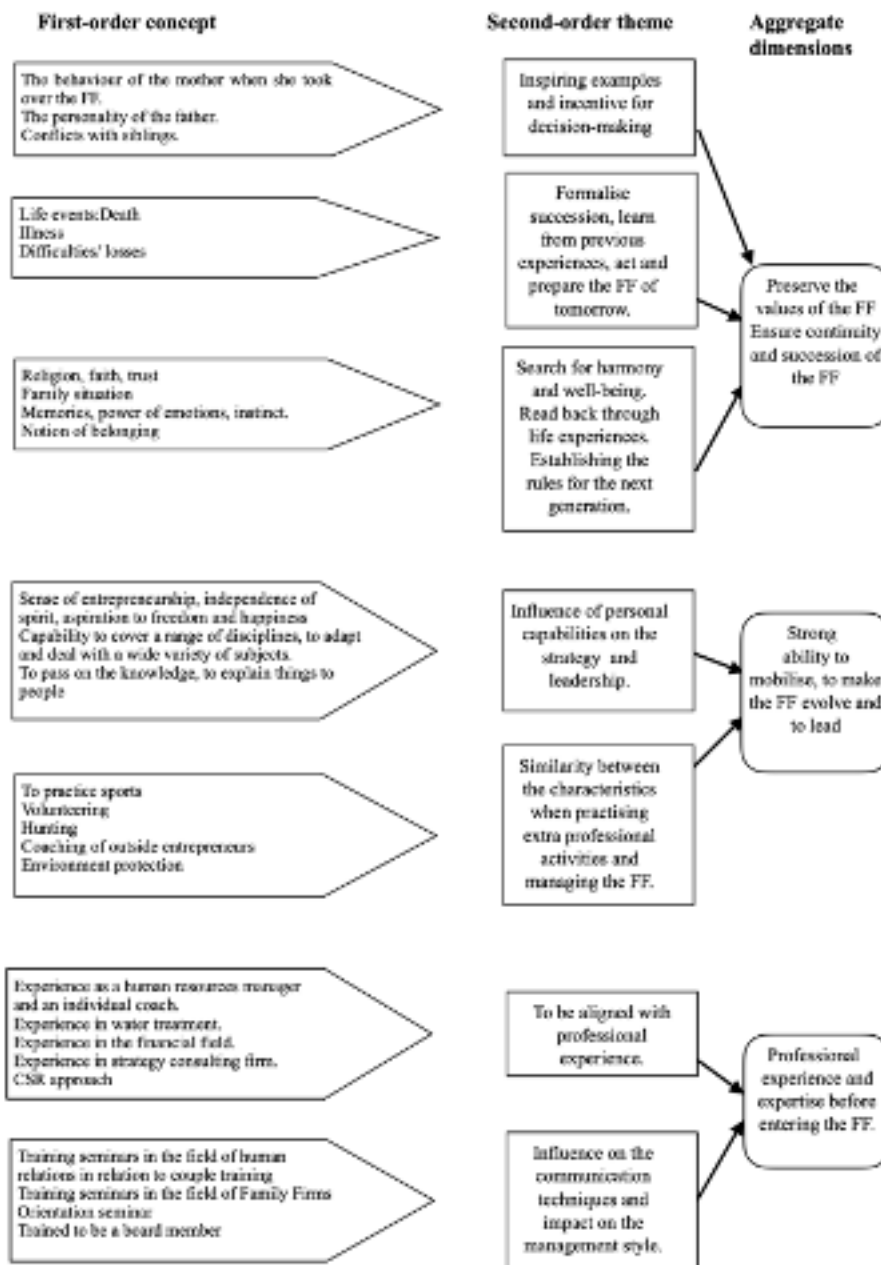


Figure 1: Data structure

### 3 Findings

Regarding the methodological approach that we have used in our empirical study, the analysis of the six cases allows us to identify the diversity of experiences that directors have on the FF boards in our sample. In the following, we explain directors personal and professional experiences and presented their outcomes related to the succession process and particularly the choice of the successor. We theorise the relation between directors' experiences and the choice of the successor (see Figure 2). Therefore, we have identified that directors' perception is past experiences dependent and that directors' preferences are defined on past experiences.

## 1. Directors perception is past experiences dependent

Directors' perception has been strongly influenced by the context in which they were. The context took different forms: it has corresponded to the influence of persons around them and to personal and professional past experiences.

### Influence of persons

Following to our data, it is worthy to mention that the directors have been influenced by some persons around them. In case 2, the mother took over the FF in the middle of difficulties. Thus, for her daughter, who is a board member in the FF, she inspires her decision. Mary stated: 'It was my mother who took over the company. It was a difficult period for seven or eight years, let's say, the time it took to turn the company around, and I think that influenced my decisions, when I make decisions now I think of her very often.' In case 3, the father is viewed by the daughter as an inspiring example. Vicky says: 'His personality is visionary, he sees very far, that's exceptional, he listens and decides quickly, he has charisma. He's very rigorous. He gets to the bottom of his files when he takes something in hand. When he sets himself a goal, nothing will stop him before he reaches the goal, no matter how difficult the path. There is always a solution.' As to case 6, the conflicts with the siblings were the incentive to decide to buy their shares and take over the FF: Henry confirmed 'that's what made me, at that moment, take the decision to say I'm going to buy this company'.

### Personal and professional past experiences

We have perceived that their past experiences whether personal or professional were significant and has guided the choices they make.

### Personal past experiences

We will start by the personal past experiences. In case 1, Marc stated: 'There is a personal experience that has been significant for me and that influences my way of seeing things. It's the death of my mother when I was 9 years old and at least as strong as the death of my mother is the remarriage of my father when I was 11 years old with a woman who was a prisoner of many things that limited her radius of action, she was a prisoner both of her environment and of a narrower intellectual dimension, a narrow vision of the world'.

### *Life events and difficulties*

Every interviewee has experienced several life events as social experience or change with a specific onset and course. They have mentioned the life event that has a psychological impact on them. In case 1, it was death for Marc 'The personal experience that has marked me and that influences my way of seeing things is obviously the death of my mother when I was 9 years old'. In case 3, it was Charles' illness 'In the hospital, I had my computer and phone sterilised and I keep calling customers who didn't know what was happening to me so I send them emails etc. So basically even to treat cancer, work is the best medicine', in case 2, it was difficulties for John: 'I came in at a time when there were great difficulties. The transition of the previous generation from the 2nd to the 3rd was not easy'. In case 1, it was losses for Steven 'I had difficulties with my brother, we were struggling to run the business, the results had collapsed'. In case 6, it was conflicts with the siblings for Henry 'In fact, from birth I've been in conflict with my siblings'. These life events and difficulties pushed them to formalise the succession process. In case 3, Charles officialised the name of the successor when he was in the hospital. Through what they have lived, they learnt from previous experiences and prepare the FF for the future.

### *Other personal experiences*

Furthermore, it is relevant to mention the contributions of the other personal experiences. In case 6, Andrew stated: 'I realize that by observing myself on the tennis level I am also at the level of the blocks sometimes there are parallels where the way I conduct my tennis and my game the type of game I can develop because there are also strategic tactical aspects one will say in tennis I find that it is rather similar with my behaviour within the company in moments of decision'. In case 6, Henri confirmed 'I've always practised sports without being a great sportsman, I've always done sports which are sports, we'll say with a sense of suffering, I like to hurt myself. It's mountain biking, hiking, ski touring. These sports that require you to go beyond your limits'. These quotes show how sport is a powerful tool for developing managerial skills. In case 2, John stated: 'I've been coaching entrepreneurs for a long time and this is my fifteenth time coaching entrepreneurs. I really like doing this because I think that we can bring what we have been given and then try to give it back'. There is a similarity between the characteristics of directors when practising these activities and managing the FF.

### Professional experiences

As to professional experience, it is represented by directors as wealth. It has taught them several fundamental things in their daily lives, such as prudence and the need to repeat certain actions or methods that have proven effective over time. In case 1, Marc confirmed: 'When I started in this business a long time ago, I was told that there are three main criteria when investing in a company: people, people and people. I invest in the heads of entrepreneurs to take over companies'. He added 'I am very lucky to have a job that is very coherent in relation to what I am'. In case 5, Jim stated: 'I've always been interested in environmental protection, water protection, water treatment, it's something that has always interested me and it's become the common thread in my professional career'. In case 4, Lena stated 'in my CSR approach we work on the vision of the market, we work on what our business is, we're going to integrate the elements of societal trends, what our business is, how to make it evolve, what our culture is, what we want to keep, what we want to change, what our values are, what the rules of the game are to work better together, what our positioning is and then we do the work to make it'. In case 1, Victoria confirmed: 'what is important is the human relationship, being able to relate to people, listening to them, working coherently, taking responsibility for one's words'. These contributions allowed them to be aligned with their professional experiences.

### *The training*

Moreover, the training that the directors underwent improved their skills and knowledge and enabled them to transfer this input to the FF. In case 1, Helen justified her will to follow the training before becoming a board member: 'a desire to train as a director because I really need to understand our family business, how it is structured and what the issues are'. In case 4, Ana: since I did the training as a director it has enabled me to integrate into the group and to understand how it works and not to be afraid to ask questions and challenge the management and to tell myself that I have a role to play in the same way as the other directors'. In case 3, Charles confirmed: 'this week of training was very formative and at the same time I am following these same ideas until now'. In case 4, David stated: 'training seminars in the field of the human relations on the subject of couples' therapy have influenced my communication techniques and have an impact on my management style'. The training they have followed has influenced their communication techniques and their management style.



## 1. Directors preferences are defined on past experiences

Driven by the research question, the data collected brought together three categories of preferences which are past experiences dependent. We have noted that directors' past experiences predispose them to pay particular attention to certain information and to organize and interpret their preferences in ways that align with their previous experiences.

Through our data, we developed aggregate dimensions that are the result of directors' preferences.

The obtained preferences are used as relevant requirements when choosing the successor.

In relation to analysis of our data, we itemised the criteria settled in order to choose a successor. He should meet three criteria, meaning that when directors want to choose a successor, these 3 conditions should be gathered. The criteria identified in our data were divided into three categories:

- Preserve the values of the FF Ensure continuity and succession of the FF
- Acquire professional experience and expertise before entering the FF.
- Possess strong ability to mobilise, to make the FF evolve and to lead.

The first criterion refers to preserving the family character and values of the FF, respecting the legacy of prior generations and transferring this legacy to future generations. This requirement refers to directors past experiences. They were reading back through these experiences to prepare the future and avoid doing the same mistakes. These memories guided them when establishing the rules for the next generation. In case 2, John stated: 'Nowadays we have a slow transition but at that time it was not a slow transition, it was a very brutal transition. I had to take over the job very early in my life, it is formative but it's difficult'.

The second criterion refers to requiring professional experience outside the FF, to acquiring corporate skills and insights before joining the FF. These skills they have acquired through the variety of professional experiences leads them to demand a new prerequisite for the future successor: a professional experience outside the FF before joining the family business. The successor should have worked outside of the FF for part of his career progression. He/ she can develop his/her own personal network and learn crucial skills, knowledge of useful ideas from these experiences. It's also good for the employees in the FF, who can see a clear prerequisite for family members to join the business.

The third criterion refers to possessing leadership attributes and being able to assemble the stakeholders in order to run the FF. Trough the experiences they have faced in the past, they were confronted with a demanding set of requirements in the FF in order to motivate family members and other stakeholders and meet the FF goals. Therefore, the last prerequisite for the future successor is to have effective leadership skills allowing him to successfully monitor and assess all processes in the FF and settle methods and guidelines to optimize the efficiency of the FF.

These results are particularly relevant. The interviews with the different informants allowed us to gather data on directors past experiences. We argue that these experiences influenced their decisions. Moreover, the existence of a "precedent" in their past experience makes it possible to determine preferences and to appreciate the criteria for choosing a successor. This comes from the fact that in a choice, future perspectives depend on past experiences.

#### 4. Discussion

In this study, we have investigated the different types of directors' experiences (family and non-family) on the board of directors of FFs. The contributions of diverse directors in FF is increasingly recognised. With regard to the composition of boards, boards where different attributes, characteristics and levels of experience are mixed, contribute to better decision-making (Adams and Ferreira, 2009; Anderson, Reeb, Upadhyay, and Zhao, 2011). This article highlights their experiences before joining the board of directors. They had a wealth of experience from which to make decisions in the boards and in particular to choose a successor.

We theorise that directors' personal and professional past experiences influence the choice of the successor (see Figure 2).

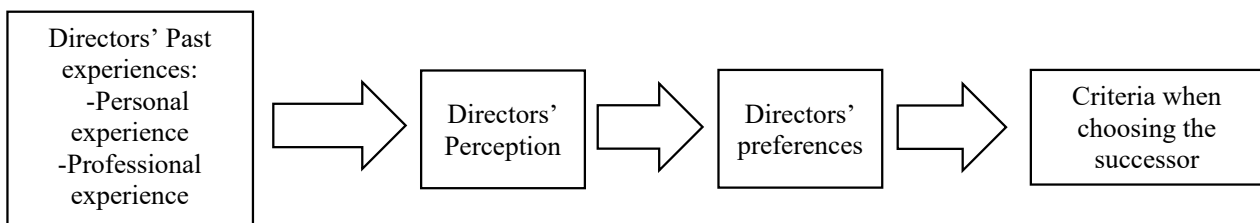


Figure 2. Theoretical Model (Directors' experiences in FF Board and choice of successor)

The findings break away from traditional economic models that assume people make rational decisions from all available options. According to our interviews, rather than choosing from a ready-made list, they conjure choices from their previous experiences. When faced with having to make good choices, they didn't forget the option they prefer and tend to be swayed by what they remember. Past experience is often presented by our interlocutors as a justification of how they are and how and why they made this choice. Past experiences, both personal and professional, provide them the necessary information for future decision making.

We offer novel insights on the diversity of directors in FF boards. Our findings offer a detailed analysis of their past experiences. Following existing exploration in this field, our results suggest the influence of different types of experiences on a particular decision in FF boards and that they can contribute effectively to the choice of the successor. This relationship between the board of directors and succession has already been established in prior studies (Motwani et al. 2006; Blumentritt 2006). However, we contribute to the literature in using directors' previous experiences to influence a key outcome, the choice of the successor.

The research on FF has highlighted the importance of experiences in Family Firms. They have a prominent effect on decision-making in family firms (De Massis and Foss, 2018). Morris, Allen, Kuratko, and Brannon (2010) and Morris, Kuratko, Schindehutte, and Spivack (2012) have developed the subject of the "experience" aspect of family businesses, entrepreneurship, and emotions. According to Morris et al. (2012, p. 12), entrepreneurs experience 'venture creation just as they do other dominant aspects of life, and that positive and negative affect are at the core of human experiencing'. Through the above-mentioned experiences, our objective is to understand 'how individual-level factors impact organizations; and to understand the processes that aggregate

individual actions into resultant firm behaviour outcomes' (De Massis et al., 2018, p.387). Therefore, our contribution reside in applying a micro-foundational lens to highlight individuals' experiences and their contribution to board function and particularly to the succession process. In fact, 'Ignoring the micro level is problematic because the predictions of our theory for macro-level phenomena may be wrong or incomplete'(De Massis and Foss, 2018, p.386).

Moreover several theories have been used to explore the influence of experiences on decision-making in FF. Weiss and Cropanzano (1996) have used affective events theory, they investigated how events in entrepreneurs' lives influence their business. For Finkelstein, Whitehead, and Campbell (2009), the human decision-making is based on pattern recognition and emotional tags that are attached to our memories. 'Pattern recognition is a complex process that integrates information from as many as 30 different parts of the brain. Faced with a new situation, we make assumptions based on prior experiences and judgments'(p.2).

De Massis et al. (2021) have confirmed that FF 'may have an advantage in relying on pattern recognition and emotional tags to help them make decisions when the firm has been around for a considerable length of time' (p.125). In this regard, Erdogan, Rondi, and De Massis (2020, p. 47) argue that 'Family businesses can benefit from their ability to store knowledge, even if not relevant at that specific moment in time, and revive it when valuable'. FF can use their wealth of experiences to make decisions. However, FF should not be confined by their past. Finkelstein et al. (2009) argue that long-time leaders can adapt to the changing world by 'injecting fresh experience' (p.5).

As to mental travel theory, memory has the capacity to retain information and to retrieve it despite a temporal gap between recording and retrieval (Addis et al.2007).We wanted to highlight how recalling the past and particularly past experiences allow the directors of the Board in FF to simulating the future and particularly to ensure the continuity of the FF by choosing a successor. This decision is not a multiple-choice test, as directors are not given a menu of options and ask them to choose. They are trying to prepare the future by reading back through their life experiences in order to avoid making the same mistakes.

Moreover, the core of our research is the human element at the centre of the FF (De Massis , Foss, 2018).Whether they were family or non-family directors, our central goal is to dive into the human-related characteristics in FF' board. Therefore, what we are interested in is the Board members. Research has focused on the experiences of the FF, this paper aimed to contribute to the research on FF' governance by putting the human and his characteristics in the centre of this research. We value diversity to affirm the existence of differences that reflect a variety of individuals who are recognised in their uniqueness. We aim to understand and appreciate characteristics and experiences that are different which include the way of being and the way of knowing. The diversity contained within each individual embrace the rich dimensions of humanity. We aim to encompass the axes of experiences we have explored and observe their intersection and integration within the decision making of the Board of Directors of FF. We want to offer a more comprehensive picture of the functioning of individuals with multiple aspects of experiences. In the FF research context, Board of Directors have received great interest (Hoy and Verser, 1994; Zahra and Sharma, 2004), which reflects the researchers' concerns about survival and sustainability. This governance systems of the FF has a leading facilitating role as succession support systems (Arteaga and Menéndez-Requejo

2017; Gnan et al. 2013). Therefore, it was relevant to have more information about the human beings who composed this board whether they are members of the owner-family or not.

Furthermore, it is relevant to underline the role of narratives to transmit and share experiences in FF. According to the literature, the words and narratives allow to understand rich relationships in FF (Short and Payne, 2020). In fact, the chairmen of FF were delighted to share their stories. FF are often built on entrepreneurial and family-based 'success' stories that guide values and decisions (Short and Payne, 2020). As to values, recent research has stated that revealing the religious backgrounds in FF CEO may highlight moral capital (Maung et al., 2020).

Regarding the choice of the successor, we could show that the past experiences of the directors in the boards of FF lead to settle three criteria that he should meet. In conformity with the research of Gagné et al. (2019), we draw attention to the qualities of the successor, such as: Preserving the values of the FF, ensuring continuity and succession of the FF, having professional experience and expertise before entering the FF and possessing a strong ability to mobilise, to make the FF evolve and to lead. Indeed, they find that 'incumbent trust also had an indirect effect on succession outcome through successor perceptions of autonomy support and intrinsic motivation' (p. 8).

## **Conclusion**

In our paper, we demonstrated that directors' past experiences whether personal or professional influence the choice of the successor. They allow to settle three criteria to be met when choosing a successor. When referring to the past, directors reposition themselves in the present and anticipate the future.

We have examined the past experiences of the persons composing the governance system in order to transmit the FF to the next generations and take the appropriate decisions. What is reassuring is that the past has existed, despite its failures, success and difficulties. It fosters FF to move forward by learning from these experiences and avoid to make the same mistakes.

This study does, of course, have a few limitations, the identification of which suggests new avenues for research. When we chose the case study method, we were aware of the implications of having a limited number of informants. We knew that this presents significant weakness in terms of generalisation of results. This research method provides an in-depth analysis of the phenomena in context to offer the possibility of developing historical parameters and to ensure strong internal validity; that is to say, the phenomena observed are authentic representations of the studied reality. In short, the case study method is appropriate for capturing the specific complexity and dynamics unique to family businesses. Case study research has a broad scope; it means conducting an empirical investigation of a contemporary phenomenon within its natural context using multiple sources of evidence (Yin, 2003).

This weakness in relation to generalisation can, however, be compensated for by the complementary use of quantitative research methods (Stake 1994, Scholz 2001, Woodside and Wilson 2003). For example, the results of the case study could be used to develop tools for quantitative collection of data from a statistically representative sample of the population in question.

The FFs in our sample were French and Swiss businesses. The cultural aspects of these countries could limit the transferability of our findings to other countries and different cultural settings. It

should be noted that FFs are very diverse. To account for this, it will be relevant to explore past experiences of boards' member in a broader sample of FFs. Moreover, future studies could examine the influence of specific values or experiences on decision making in FF.

Finally, can history of FF enlighten their future? Learning from past experiences will help FF to achieve their future goals to assure their legacy and continuity.

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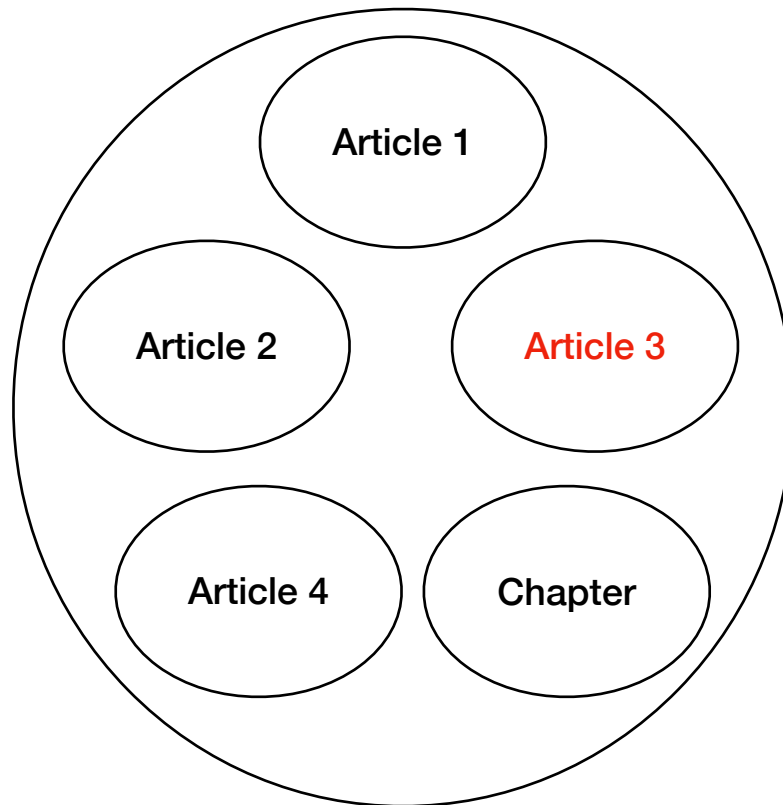


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## 2nd PART



### **Article 3: Women’s involvement in the boards of directors of family firms through the lens of socio-emotional wealth**

Revue de l’Entrepreneuriat. Special Issue: Innovation in Family Firms: responses to recent developments . Coordinated by Maksim Belitski, University of Reading (UK), Nada Khachlouf, ICD Business School Paris, Caroline Mothe, IAE Savoie Mont-Blanc (France) Alfredo De Massis, Free University of Bolzano-Bozen (Italy), @Petra M. Moog, Siegen University (Germany) [HCERES 2020 : A / FNEGE 2019 : 2] In revision, Second round

#### **Abstract**

The benefit of gender diversity in the corporate boards of family firms (FFs) is receiving growing interest. In this paper, we examine the goals of women who hold a position on the board of directors of FFs. Goal setting has been used to identify what they want to accomplish. How do they make a difference? The question is answered from the theoretical lens of socio-emotional wealth (SEW). We contribute to the literature on board composition in support of gender diversity on the board, emphasising the goals associated with women on FF boards.

Drawing on SEW theory, this study examines how women’s goals influence succession and how this relationship is moderated by two dimensions of SEW: binding social ties (B) and renewal of

family bonds to the firm through dynastic succession (R). Driven by the research question, our data bring together three categories of goals pursued by women in the boardroom.

Keywords: family firms, board of directors, goals, socio-emotional wealth, gender diversity

## **Women's involvement in the boards of directors of family firms through the lens of socio-emotional wealth**

### **Introduction**

The benefit of gender diversity on boards of directors is receiving growing interest (Ali et al., 2014; Post and Byron, 2015; Arzubiaga et al. 2018; Cesaroni et al., 2018; Bjuggren et al, 2018; Cruz et al., 2019; Bettinelli et al. 2019; Gonzalez et al., 2020). Cesaroni and Sentuti (2018) reported a trend towards gender diversity in boards. However, this literature does not engage with goal setting theory, which is surprising given the relevance of this theory to explaining the benefit of gender diversity. When research investigates women's active involvement on the family business board, the goals associated with their presence need also to be taken into consideration (Chrisman, Sharma, Steier, and Chua, 2013). In this paper, we examine the goals of women who hold a position on the board of directors of the family firm (FF). Goal setting has been defined as 'the process of identifying something that you want to accomplish'. Goal setting is the action plan designed by an individual which motivates them towards a goal (Grant, 2020). It also focuses on the individual's own improvement by identifying goals that are meaningful (Guamer Erickson and Noonan, 2018). According to Lock and Latham (2002), there is a direct correlation between conscious goals and their effect on action. The goal-setting problem as discussed in our paper is essentially about determining the relationship between women on the board and the FF, which in turn becomes a question of what women want to see being done or what they can be persuaded to support. We argue that the setting of goals is essentially a problem of defining desired achievements and outcomes and that it is particularly relevant on the individual level.

We suggest using the theoretical lens of socio-emotional wealth (SEW). The SEW literature is relevant to identifying non-financial goals, with the definition of SEW being the 'non-financial aspects of the firm that meet the family's affective needs, such as identity, the ability to exercise

family influence, and the perpetuation of the family dynasty' (Gomez-Mejia, Haynes, Nunez-Nickel, Jacobson, and Moyano-Fuentes, 2007). By examining and identifying their goals, we argue that women in FF boards consciously or unconsciously value non-financial aspects and that a mere focus on economic goals paints an incomplete picture of family business performance (Samara, 2017; Williams, Pieper, Kellermanns, and Astrachan, 2018). We contribute to the literature on board composition in support of gender diversity on the board, emphasising the goals associated with women on FF boards.

In this research, we explicitly explore the goal orientation of women on FF boards. Following recent recommendations in the family business field (Campopiano, 2017), we have tried to give prominence to the goals pursued by women in the boardroom. Thus, we used semi-structured interviews with board members to identify these goals. We focused on boards with a gender-diverse composition and included 'negative' cases in our sample to analyse differences. This allows some important contributions to be made.

Drawing on SEW theory, we explain non-financially motivated goals of women on FF boards. Given the prominence of majority ownership in FFs, and increasingly gender-diverse boards, we seek to address the following research question: 'When women are involved on family business boards, how their goals influence succession?'

This article makes at least two major contributions to family business research. The first is to identify the goals of women who are involved in FF boards of directors, which is a key objective in family business research. The second is to contribute to the literature on SEW by using this theory to highlight the contribution of women with regard to family succession. We thus contribute to the literature on family businesses, which has found a positive outcome of women's involvement in FFs (Campopiano et al., 2017), stating that they often play a crucial role (especially in succession processes) and are 'on the stage' of the FF (Barrett and Moores, 2009b).

The article is organised as follows. We begin by providing a brief literature review on women in family business boards. Next, we suggest the theoretical framework of SEW to understand women's goals and focus on its dimensions. Then, we present our cases and our methodology in relation to case studies before discussing and theorising our results and their implications. We conclude by mentioning limitations and outlining possibilities for future research.

## **1 Literature review**

### **1.1 Board gender diversity in family firms**

A number of studies has focused on women economic contributions in FF boards (Amore, Garofalo, and Minichilli, 2014; Cruz et al., 2012). However, women have a key role in reducing conflict and increasing shared meaning, collaboration and integration among family members involved in the FF (Haberman and Danes, 2007).

Women directors also contribute useful female leadership qualities (Post and Byron, 2015). In this sense, female directors are regarded as more supportive than their male counterparts (Ali et al., 2014). In addition, women directors are usually less risk-averse and have less tendency toward radical decision-making (Croson and Gneezy, 2009); this favours sustainable investments (Charness and Gneezy, 2012). Female directors make contributions based on their unique knowledge, capabilities (Adams and Ferreira, 2009), marketing abilities and networks (Ali et al., 2014) and encourage entrepreneurial initiatives (Post and Byron, 2015).

The presence of female directors (Galbreath, 2011; Angelidis and Ibrahim, 2011; Zhang et al., 2013; Campopiano et al., 2017), would seem to be beneficial for CSR and philanthropic engagement. Women's participative style and open communication within the board increases the

board's sensitivity toward socially responsible activities, nurturing a broader perspective on stakeholder needs (Bear et al., 2010; Rodríguez-Ariza et al., 2017). Indeed, women are often appointed as directors for their sensitivity, and firms with women on the board are acknowledged as being more philanthropic (Burgess and Tharenou, 2002). Studies on philanthropic engagement show that the presence of women on the board is positively related to philanthropic initiatives, particularly in community services and the arts (Williams, 2003). In this body of research, women directors are considered as beneficial for the firm because of their propensity towards social responsibility and their interest in community service and philanthropic activities, as well as bringing other different perspectives into board discussions, which encourages open conversations (Campopiano et al., 2017). Adams et al. (2011) argue that less power-oriented directors and those with traits such as benevolence and universalism show greater concern for wider stakeholders. Empirical findings in this regard reports a positive association between women on boards and firms' charitable donations, corporate social responsibility initiatives (Bear et al., 2010) and environmental performance (Elmaghi, Ntim, Elamer, and Zhang, 2019).

Studies of family businesses have shown that having a female presence on the board can increase the firm's socially responsible activities (Peake, Cooper, Fitzgerald, and Muske, 2017; Sundarasan, Je-Yen, and Rajangam, 2016). The recent gender diversity literature has studied how the presence of women on the board impacts companies' willingness to implement corporate social responsibility practices (Bear, Rahman, and Post, 2010; Post and Byron, 2015; Rao and Tilt, 2016; Cordeiro et al., 2020; Zhang, Zhu, and Ding, 2013) and enhances the decision-making process related to CSR and stakeholders' needs. This contribution is contingent on their knowledge, experience and values, which are different from those of their male counterparts (Post and Byron, 2015; Kanadli, Torchia and Gabaldon, 2018).

Moreover, several empirical studies suggest that women show more sensitivity towards ethical issues and care more about the needs of other people (Ibrahim, Angelidis, and Tomic, 2009; Nadeem, Farooq, and Ahmed, 2019). Consequently, these traits lead female directors to comply with a code of ethics to a higher degree than their male counterparts (Ibrahim, Angelidis, and Tomic, 2009) and to engage less in unethical conduct (Cumming, Leung, and Rui, 2015; Lanis, Richardson, and Taylor, 2017). Moreover, female directors are less power oriented and have a strong sense of benevolence and universalism. All of these characteristics include understanding, appreciation, tolerance and protection for the welfare of society and nature (Adams and Funk, 2012).

According to Poletti-Hughes and Martinez Garcia (2020), the economic benefits from gender diversity on boards have been highlighted and explained through agency, resource dependence and human capital theories (Hillman, Withers, and Collins, 2009). According to these theories, the presence of female directors on the board increases the range of information that is available and enhances decision-making (Francoeur, Labelle, and Sinclair-Desgagné, 2008) and increases market penetration by virtue of greater understanding of the diverse range of customers and employees (Campbell and Mínguez-Vera, 2010). These benefits are relevant in FFs. In this setting, gender is significant for corporate decisions because a more diverse board is a better monitor of management and less likely to undermine the interest of shareholders (Carter, Simkins, and Simpson, 2003). Gender diversity on boards decreases the likelihood of value-destroying decisions made by overconfident directors (Huang and Kisgen, 2013).

Furthermore, FFs have various goals, and concentrating only on economic goals depicts an incomplete picture of family business performance (Williams, Pieper, Kellermanns, and Astrachan, 2018). When we try to justify women's active involvement in the family business board, we have to take into consideration the non-economic strategic goals of family controlling

owners (Chrisman, Sharma, Steier, and Chua, 2013). In fact, as boards contribute to strategic perspectives in decision-making (Kim et al. 2009), this study posited that family and female involvement in boards affects firms' non-financial goals because the family is identified with the firm. Besides, the above-mentioned literature has stated that the influence of gender diversity in FF boardrooms goes beyond financial goals. Women in the boardroom make several contributions based on their unique skills and capabilities (Adams and Ferreira, 2009; Ali et al. 2014).

We use the concept of SEW to analyse women's goals. The core of the SEW approach is that decision-making in FFs is driven above all by non-economic aspects that meet the family's affective needs (Gómez-Mejía et al., 2007, Hauck and Prügl, 2016).

## **1.2 The theoretical framework of SEW**

SEW refers to 'non-financial aspects of the firm that meet the family's affective needs' (Gómez-Mejía et al., 2007: 106). SEW is defined as the intention to pursue noneconomic objectives, such as control, transgenerational succession, social capital, emotional connection to the firm, and reputation (Berrone et al., 2012). According to Swab et al. (2020), SEW is believed to be a unique factor differentiating FFs (Holt et al., 2018) as it influences strategic decision-making with respect to the preservation or enhancement of existing endowments (Berrone et al., 2012). The preservation of SEW has become a widely favoured explanation of the economic behaviour and dynastic intentions of business-owning families (Cleary, Quinn, and Moreno, 2018; Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson, and Moyano-Fuentes, 2007; Morgan and Gomez-Mejia, 2014). Hence, SEW is used as a reference for decision makers in FF (Nason et al. 2019; Zellweger and Dehlen, 2012).

Over the past decade, this 'emotional' perspective of business ownership has been popular among family business scholars (Swab et al., 2020). Thus, previous studies have offered various ways in which to conceptualize SEW and its dimensions (Hauck et al., 2016 ; Debicki et al. 2016 ; Jiang et al. 2018 ; Zellweger, 2017). However, the most influential conceptualization of SEW dimensions is Berrone et al.'s (2012) multidimensional FIBER construct. With over 1,500 Google Scholar citations, as of July 2020, their article continues to be one of the most accessed SEW articles ( Swab et al. 2020; Brigham and Payne, 2019; Odom et al., 2019).

The theoretical development of the SEW model considers SEW as a multidimensional concept (Berrone et al., 2012). Five dimensions can be recognised; these come under the abbreviation FIBER. Family control and influence (F) is one of the key characteristics distinguishing FFs from non-FFs. Maintaining current family control and influence over the firm can gain higher priority than financial considerations. The exercise of control can be organised either directly (e.g. a family member as CEO) or indirectly (e.g. family members appointing top executives). Moreover, control does not necessarily have to be related to formal ownership but can be exerted in informal ways as well (Berrone et al., 2012). Identification of family members with the firm (I) is a possible result of the close linkage between family and firm. Family ownership of a firm provides a sense of identity to the family and its members ('I/we know who I am/we are') and may, therefore, extend the self. Perceptions of identity are driven not only by the family context but also by a broader social context (Berrone et al., 2012). Binding social ties (B) refer to the firms' social relationships with various stakeholders; for example, with employees – these relationships are frequently close and can even be family-like. Furthermore, FFs are often deeply embedded in their (local) communities and support community associations and activities (Berrone et al., 2012). Emotional attachment of family members (E) relates to the role of emotions in the FF context. The FF may serve the family by becoming a place where affective



needs for belonging, cohesion and security are satisfied (Berrone et al., 2012). Renewal of family bonds to the firm through dynastic succession (R) relates to the long-term vision of keeping the firm under the family's control in future generations. This transgenerational vision and sense of dynasty are considered key concerns of FFs (Berrone et al., 2012).

The SEW literature has focused extensively on identifying family businesses' motives and preferences for intra-family succession. Given that succession by family members may lead to a decline in family business performance (Pérez-González, 2006; Villalonga and Amit, 2006), it is reasoned that a preference for family succession is driven by non-financial factors. Indeed, SEW preservation is an important explanation for family businesses' preference for a next-generation family member to take over leadership of the family-owned enterprise (Gómez-Mejía et al., 2011). Accordingly, SEW theory sees intergenerational and perhaps even dynastic family strategies as aimed at securing the inheritance of FF.

When women are involved on family business boards, how their goals influence succession? The SEW approach may provide theoretical arguments to answer this question (Mensching et al., 2014; Odom et al., 2019) because of the relevance of this theory for explanation non-financially motivated goals in FFs (Dyer and Whetten, 2006; Swab et al., 2020; Holt et al., 2018; Fang et al., 2019). Due to the fact that the primary reference point of family stakeholder(s) is loss of their

SEW (Gómez-Mejía et al., 2007), family member behaviours are driven by the desire to maintain the family's discretion over decision-making (Fiegener et al., 2000b, Memili and Dibrell, 2019; Zellweger et al., 2012) in order to preserve social and emotional endowments attached to the firm (Gómez-Mejía et al., 2011).

Several gaps in knowledge related to the outcomes of women's presence in FF boards have been partially filled by more recent literature reviews (especially that of Campopiano et al., 2017), though some important issues remain to be tackled, particularly the reciprocal link between women's goals and involvement in FFs boards. More effort is necessary to analyse the complexity of women's experiences within FFs and to understand how female participation matters.

We answer this need for deepening understanding of goals of women on FF boards, which lead to changes in behaviour, decisions and actions. We aim to explore if women's involvement in the boards of directors of FFs matters for succession. Furthermore, we offer a theoretical discussion to further advance and research the SEW concept, based on our empirical results.

Through the lens of SEW, this study examines how women's goals influence succession

## **2 Method**

This part includes the research methodology of the paper. We outline the research strategy, the research approach, the research mode of reasoning, the case study as a method of data collection, the selection of the sample, the research process and the type of data analysis.

### **2.1 Research design**

We have followed a constructivist approach under the broader umbrella of qualitative methods. The philosophical paradigm of constructivism was defined by Honebein (1996). According to this approach, people construct their personal understanding and knowledge of the world through

experiencing things and reflecting on these experiences – in other words, learning through experience (Cashman et al., 2008; Hein, 1991). Thus, to the constructivist, learning occurs only when the learner acquires knowledge through the spirit of experimentation and doing (Kalender, 2007). Individual differences are in line with the constructivist learning paradigm. Another tenet of constructivism is that individuals base their knowledge on their existing conceptual frameworks. A learner's previous experiences of the world and of life (physical, social or imaginary) represent a conceptual frame of reference that is used to give meaning to new phenomena (Taylor, 1993; Kahveci and Ay, 2008).

Our qualitative approach is based on abductive reasoning – reaching a probable conclusion based on what you know. Abduction is defined as ‘any proposition added to observed facts, tending to make them applicable in any way to other circumstances than those under which they are observed’ (Pierce, 1955, p. 150). This approach was chosen for two main reasons. First, this research is part of an exploratory process aimed at improving the understanding of complex phenomena and the specificity of their contents (Huberman and Miles, 1991). Second, we are not situated in a knowledge-free context, since we already have a theoretical basis to assist us. We approach the phenomena of gender diversity in family business boards via abductive reasoning so that we may carry out the study with few preconceived ideas and ‘let the field speak’; that is to say, we try to be as receptive as possible to the reality that emerges from our observations.

The case study research method is appropriate for the description, explanation, prediction and control of the processes inherent in various phenomena, whether individual, group or organisational (Woodside et al. Wilson, 2003). Here, we focus on the first two of these: description and explanation. Case study description answers questions about who, what, when and how (Eisenhardt, 1989, Kidder, 1982); the explanation aspect of the case study method aims to enlighten the why; prediction seeks to establish what the psychological states, behaviours or events will be in the short and long term; and control includes attempting to influence the cognitions, attitudes and behaviours that occur in an individual case (Hersen and Barlow, 1976, Woodside and Wilson, 2003). It is also possible to combine these four elements. This research method provides an in-depth analysis of the phenomena in context, and our observations are authentic representations of the studied reality. In short, it is a method that is appropriate for capturing the specific complexity and dynamics unique to family businesses.

## **2.2 Selection of cases**

For our research, we adopted the definition of FFs proposed by Litz (1995): ‘a business firm may be considered a family business to the extent that its ownership and management are concentrated within a family unit, and to the extent its members strive to achieve and/or maintain intra-organisational family-based relatedness’ (p. 78). We were introduced to 30 FFs through our contacts; these contacts knew the chairman and/or the CEO of the FFs. Six firms agreed to participate in our research project. Our sample is drawn from two countries: France and Switzerland.

In seeking potential cases, the first condition to be met was the size of the FF. We chose medium-sized FFs because of the gap in the literature related to this category of FFs (Gabrielsson and Huse, 2005). In the European Union, medium-size companies are those with 50 to 250 workers and annual revenues of less than €50 million (about \$56 million as of mid-2019).

The context of private medium-sized FFs is particularly appropriate for studying and observing the impact of gender diversity in boards. Private medium-sized FFs correspond to the definition

adopted by the literature. They are typical FFs with a concentrated shareholder base and family member insiders who are active in management and on the board (Lane, Astrachan, Keyt, and McMillan, 2006). We focused on boards with a gender-diverse composition and including mainly family members. Four cases have family and/or non-family women on their boards. We included two ‘negative’ cases in our sample to allow for analysis of differences. As these FFs have no women on their boards, their inclusion allowed us to analyse how their goals and other factors differ from the other cases. An additional criterion for case selection was that the FF was preparing for, or thinking about the succession process and/or trying to choose a successor. The six medium-sized family businesses work in different economic sectors.

### **2.3 Description of the cases**

Case 1 is a third-generation French family business, having been founded in 1946 by the grandfather of the current chair. The company operates in the distribution sector, and is a national leader in the rental and leasing of industrial vehicles and trucks with drivers. The family holds approximately 92% of the capital. In October 2019, the current chair of the board of directors stepped down as CEO, and his son succeeded him in this position. The board comprises three independent members (unrelated to the family or the company), two family members working in the company (the chair and the CEO/son), and two family members not working in the company (two daughters). The board meets four to five times per year.

Case 2 is a fourth-generation French family company that was founded in 1884. Its database helps customers to navigate the complex world of transport prices and regulations. It specialises in the business of debt collection agencies and customer financial information companies. It has experience in business information, finance and risk management. The family owns 100% of the company. The board is composed of three family members who work in the company and two family members who retired after working in the company for several years. It meets formally four times per year and is preparing for the succession process.

The birth of Case 3 was in 1985 with a leveraged management buyout by the CEO, the main managers of the company and some financial organisations. It is a French group with over 1,800 staff worldwide specialising in the design and manufacture of custom design interconnect. The firm interconnects electronic devices provided by different suppliers into one system. As an expert in cabling engineering, Case 3 is able to design the whole cabling network. Its engineers assist customers with the most appropriate tools, including simulation software and co-design in all the development stages: idea, concept, prototypes, industrialisation, volume ramp-up and mass production. It is a family business with a diverse management team of two family members. In 1998, the current chairman of the board of directors stepped down as CEO. His daughter succeeded him in this position. She has been designated as the successor to her father.

Case 4 is a French food company. It was founded in 1905. In France, this FF mainly markets ham, cured ham and other cured meats, poultry products, various meat products (pâtés, etc.), surimi and ready-made meals. Outside France, the company is present in eight countries (Canada, Norway, Belgium, Luxembourg, Switzerland, Slovenia, Italy and Spain) and has seven production sites. The service business consists of three strands: the delivery of boxes and meal trays to companies, airline catering and hospital catering. One hundred and sixteen years later, the company is still independent and family owned. The chairman belongs to the fifth generation. He joined the family business in 2001. He was Vice President in charge of strategy and investments. He has been chairman of the board of directors since the beginning of 2009. The board of directors is responsible for reviewing and approving the direction of the business. It is made up of

five independent directors, five directors representing the founding families and two directors representing employees. The presence of independent directors is part of the FF's desire to reconcile good management, security and sustainability. The board of directors met five times in 2016. Within the board, specialised committees are responsible for improving operations and helping to make decisions.

Case 5 is a second-generation Swiss family business that was founded in 1938. Active since 1938 in the field of engineering, it creates and manages projects for public authorities and private clients. Its activities consist of designing, creating and developing living environments that respect both people and the environment. The family owns a 95% share in the company. In January 2019, the current chair of the board of directors stepped down as CEO, and his son succeeded him in this position. The board is composed of two family members (the chair and the CEO/son) and one non-family member working in the company, who holds a small percentage of shares. It meets once a month.

Case 6 This family business, a wallpaper distributor, is a French brand based in the east of France. It was founded in 1969 by the father of the current CEO. After his death in 2000, the second generation took over the management of the company. The eldest son has since taken over the reins and manages the family business. It is an accessible brand that caters for everyone, from the general public to the experienced interior designer. Today, it is a real competitor in the world of decoration, having asserted itself with an urban clientele. With the launch of international e-shops in 2019, this family-run business is taking a major step forward in its corporate history. The board of directors is responsible for examining and approving the strategy of the group. The board is made up of five independent directors, five directors representing the founding families and two directors representing employees. The presence of independent directors reflects the group's desire to reconcile good management, security and sustainability. The board is governed by precise internal rules, and it met five times in 2016. Within the board, specialised committees are responsible for improving the way the group operates and helping to make decisions.

Table 1 summarises the characteristics of the six firms and the gender diversity in their boards of directors as well as showing the number of interviews completed in each case.

Table 1: Characteristics of the six firms and their boards

Case	Nationality	Activity	President	Board members	Male interviewees	Women on the Board	Female interviewees
1	French	Transportation	Family president	4 family members 3 non-family members	2 family members; 1 non-family member	3 women: 2 family members (1 interviewed) 1 non-family member	<b>Helen:</b> family member <b>Victoria:</b> non-family member
2	French	Business information	Family president	5 family members	2 family members	2 women: 2 family members (1 interviewed)	<b>Mary:</b> family member

3	French	Cabling; Engineering	Family president	2 family members	1 family member	1 woman: family member	<b>Vicky:</b> family member
4	French	Food company	Family president	5 family members; 7 non- family members	1 family member	3 women: 1 family member (1 interviewed ; 2 non- family members (1 interviewed )	<b>Ana:</b> family member <b>Lena:</b> non- family member
5	Swiss	Engineering	Family president	2 family members; 1 non- family member	2 family members; 1 non-family member	No women on the board	-
6	French	Decoration	Family president	1 family member; 2 non- family members	1 family member; 2 non-family members	No women on the board	-

## 2.4 Data collection

We collected data via interviews. According to [Picken \(2017\)](#), the interview is a common data collection method that can obtain a high standard of qualitative data. The interviews, which were recorded and transcribed, enabled us to support our argument and recommendations.

We used an interview guide to ensure that all elements of the conceptual framework were covered. The guide was inspired by our literature review on the composition of boards of directors in FFs, particularly on gender diversity within the board; it was also used in a larger research project. It is comprised of five parts: (1) general questions about the firm, history, number of generations, shareholders, governance and composition of the board of directors; (2) specific questions about the board of directors and their discussions and decisions; (3) specific questions about the personality and the behaviour of each director, as viewed by the other directors; (4) questions to enable directors to introduce themselves, which cover age, professional and personal experiences, motivations, decisions, choices, interests and behaviour; and (5) questions covering emotions experienced by directors during board meetings, including how these were managed and what influence these had. In order to answer our research question, we asked the following questions: How and why did you join the board? What characterises you professionally, personally, educationally and in terms of expectations? What guides your choices? We asked these questions to women on the boards, and we asked men on the boards to give their view of their female counterparts' goals and accomplishments.

We conducted 19 semi-structured interviews by phone or Skype with the CEO and some members of the board. Each respondent was interviewed once, and the interviews lasted between 40 minutes and 2 hours. These interviews allowed us to benefit from the interviewees' knowledge of the organisation, their attitudes towards governance diversity in the company and the contributions of each board member, especially women. Their interviews provided subjective perceptions, which is consistent with other qualitative research in family businesses (Nordqvist et

al., 2009), delivering points of view that offer explanatory potential regarding non-financial goals. Interviews were transcribed, and the data was coded according to categories inspired by the literature analysis. We compiled these categories according to key variables to facilitate interpretation of results. In total, ten semi-structured interviews were completed. For confidentiality, names have been modified.

## **2.5 Data analysis**

All interviews were conducted by us, registered and have delivered points of view that allowed us to highlight some elements of the research question in relation to the data previously reported in the literature. The questions about the firm and the functioning of the board have enabled us to find out about the roles played by the board members we interviewed. In addition, we wanted to obtain a deeper knowledge about the contributions of each director.

As previously mentioned, we aim to discover what were women goals when they integrated the FF and particularly the board of Directors. Some respondents limited themselves to answering these questions while others provided more details.

We transcribed the interviews in order to examine the information obtained and identify its relevance in the context of our research. We began by reading the transcripts. Then, to identify the concepts that might explain the phenomena under observation, we coded the relevant items according to actions, activities, choices, experiences, personal backgrounds and differences. We tried to counter any possible bias by not deviating from the transcript data. The next step was to create categories by amalgamating several codes. The manual codification of the mass of information collected has allowed us to classify, compile, thoroughly analyse and cross-check the data, thereby facilitating the interpretation of results. When we coded data on goals, we identified what women have accomplished or what they aim to accomplish in the FF. The structure of our data is shown in Figure 1. First-order concepts were drawn from the most representative quotes from our interviews to shed light on the vision, priorities and values of female board members. Next, we organised the quotes into second-order themes. Finally, we developed aggregate dimensions that allowed us to itemise the goals pursued by female board members. In 'reaching closure' in line with the constructivist approach, we went back and forth between our coded data and the literature on diversity of boards of directors in FFs (Gioia et al., 2013); in this way, our model builds on and extends the literature.

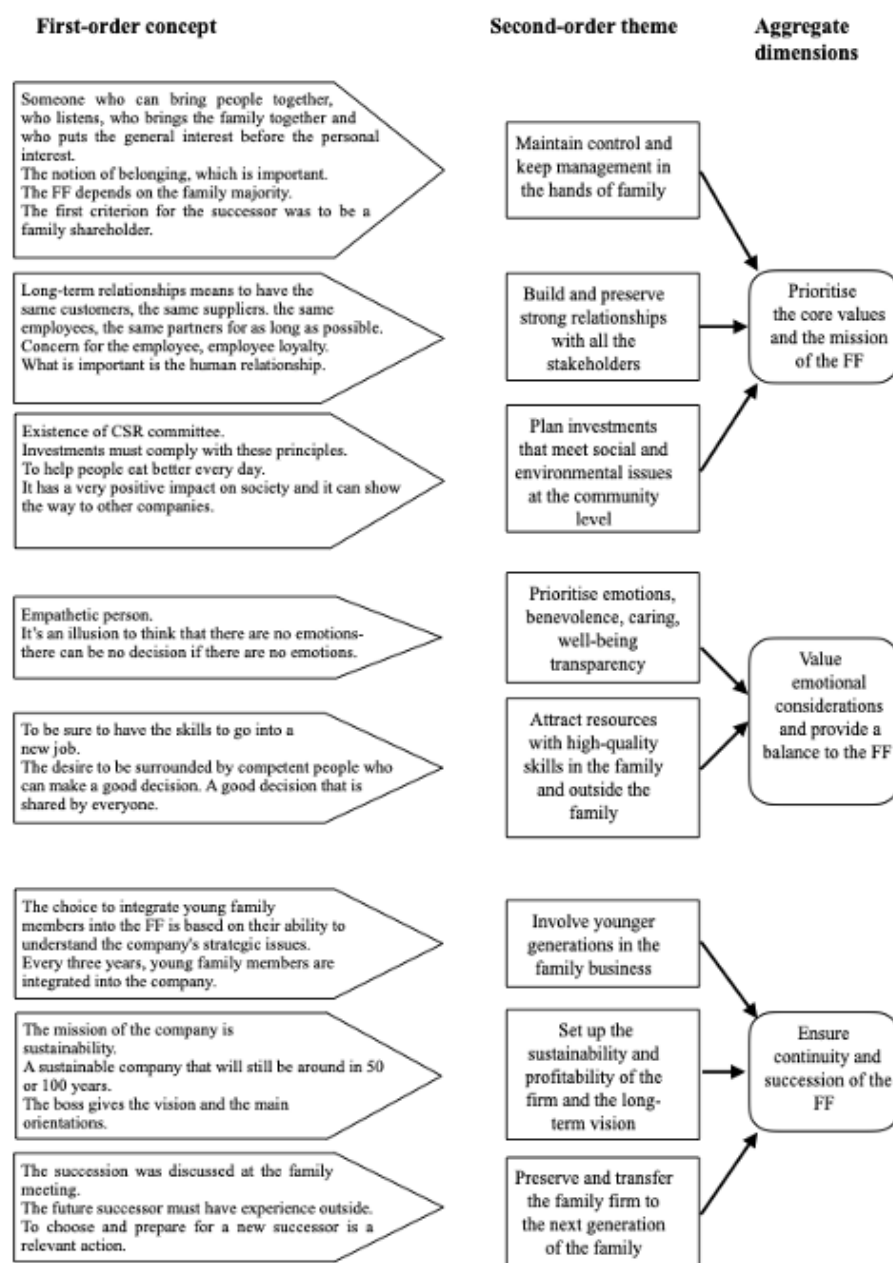


Figure 1 Data structure

### 3 Findings

This section presents our findings regarding the goals of women in the FF boardroom. This research was carried out with multiple informants per firm (see Table 1). Thus, it is necessary to understand the vision, priorities and values of women on the board and to see if their goals lead to the desired outcome, which is the renewal of family bonds through succession. It is relevant to specify that we consider goal setting at the individual level, not from the corporate perspective.

As our objective is to shed light on the goal orientation of women in the boards of directors of FFs, we focus on the personality, values, behaviour and priorities of the women in the boardroom, as described by them and as seen by other members of the board. The women shared their visions, priorities, values, emotions and relationships with others in the FF, within and outside the board.

The female family business directors with whom we spoke are successfully breaking down many of the barriers and redefining how women in family businesses are perceived. They are not waiting passively when the environment will change around them. Most have grown up in their family businesses and they are respected for their experience, knowledge and skills by employees, customers and suppliers alike. They are representatives of the change that many women seek. It's worth noting that we didn't make a comparison between the female family business directors and the female non-family business directors because the latter was feeling and behaving like 'pseudofamily' members.

Driven by the research question, the data collected brought together three categories of goals pursued by women in the boardroom.

In relation to analysis of our data, we note that before joining the boards, women's goals are different from the goals they have when they become members of the board. Moreover, we uncovered the role of other women who are not members of the board. They are behind the scenes, but their presence and their goals affect the business and the family.

### **3.1 Before joining the board**

Because family members do not always have the knowledge required, Helen and Ana decided to undertake training before joining the board, in order to acquire the necessary skills. They wanted to play an effective role in the governance of the FF. They didn't want merely to sit on the board. They see the quality of governance as a primary condition for the firm's sustainability.

Ana stated: 'I did a training course for directors (...) to try to fulfil my mission as a family director as well as possible (...), and it's true that this enabled me to really understand what the expectations of directors in general and family directors in particular were. I didn't feel ready to join and then ... my brother told me that we need women and that we need an outside view (...), we need a fresh eye (...). The training for administrators gave me a bit of confidence in myself and I learned a lot of things (...). I learnt a lot in terms of how to behave in a board meeting, how to listen to the questions, [and that] no question is innocent or useless, all questions are important in a council. Since I did the training, it has enabled me to integrate into the group and to understand how it works and not to be afraid to ask questions and not to be afraid to challenge the management (...). The fact that I had done this training made me feel more legitimate, and seeing that I have affinities with the other administrators, there's a very good understanding. And I managed to make my place on this board, and I'm delighted to be part of it now.'

As for Vicky, when her father, Charles, asked her to join the FF, she wanted to be sure that she would be appointed because she had the appropriate skills. Charles stated: 'I ask her if you want to come and work with me. She answers maybe, but first I would like to ask you a question: what would you do if you found out that I was not suitable? I answer that I will fire you immediately. She says in that case, I'll come.'

### **3.2 When they are on the board**

The women's' goals identified in our data were divided into three categories.

The first category is 'Prioritise the core values, and the mission of the FF'. According to the women in the boardroom, the FF is based on human roots, corporate culture, the desire for consensus and loyalty to values. In this sense, their colleagues and the firms' employees consider them to be supportive. They feel that they are part of a community of values, culture, desire and meaning



because all members feed off each other. They give great importance to trust, fluidity, tranquillity and respect. In Case 1, Helen said, 'the circle of the family is a circle of trust'. In Case 3, Vicky confirmed: 'Faced with a crisis, we have the capacity to bounce back together. We can count on the loyalty of our employees. They can trust us because we keep the commitments we have made.' In Case 3, Charles stated that Vicky is a good listener. He confirms that 'she lets people talk before she starts talking' and that 'there are employees who would rather see my daughter than me'. In Case 4, Ana said in relation to long-term relationships, '[w]e are a family business in which there is a real communication, concern for the employee, concern for social issues'. As to corporate social responsibility, Lena stated that Case 4 'has a great project. It's helping people eat better every day. It has a very positive impact on society, and it can show the way to other companies.'

The first category highlights the core values and foundations in FFs. Women believe that the FF with all its members, including the management team and all the stakeholders, constitutes a community. Whatever the situation (positive or negative), the community as a whole will have the capacity to benefit and bounce back. The project is clearly defined and goals are shared by employees and other stakeholders. The strong relationships among each other, the shared tradition as a family business, and the feeling of having a "common destiny" led to a particular strong cohesion within the family but also among the management team and all the stakeholders, which feels like a "pseudofamily."

Regarding this category, the results show that the goals of women directors are to preserve the values of the firms.

The second category is 'Value emotional considerations and provide a balance to the FF'. This includes working together with staff, being able to liaise with all stakeholders, listening, working coherently, accepting people's word, acting with integrity, supporting the manager and all teams, ensuring fulfilment in the workplace, recognising emotions, developing fruitful human relations, resolving problems and conflicts, and showing empathy, communication and cohesion.

In case 1, Steven stated: 'Helen has an energy of wisdom and Victoria has a very strong human and psychological density. So these are two people who I know I can rely on for questions of emotional experience.' In Case 2, Mary explained: 'When we disagree, we say so. We engage with the others, we take a step back to find the right balance and the best solution. We listen to each other. No animosity.' Talking about her emotions, Ana confirmed, 'if I feel that someone isn't doing well in the company, that worries me. The wellbeing of everyone is important for me.' According to Lena, 'it's an illusion to think that there are no emotions. There can be no decision if there are no emotions. Emotions are essential to the human being. What's important is to realise why I make a decision.' These comments show that women in the boardroom are involved in emotional leadership within the family and the business. They want to maintain peace and harmony in the family and in the firm by keeping away uncertainty, mediating, removing fear and avoiding conflicts. They are concerned about the welfare of both the family and the firm. They encourage their colleagues and subordinates and are supported by them. With regard to other stakeholders, especially employees, they enable them to understand the firm's strategic challenges. Regarding this category, the results show that the goals of women directors are to provide a balance to the FF by taking into consideration emotions, empathy and human relations.

The third category, 'Ensure the continuity and succession of the FF', includes enlightening the manager, being engaged in the succession process, highlighting risks, making sure that there is a wide range of views in relation to the choice being made, preparing for the arrival of the successor, building something and stating that it is to last for a very long time, preparing for the next generations, and ensuring the sustainability of the company.

When talking about Helen in Case 1, Marc explained: ‘She has a lot of corporate reflexes and is therefore able to question her father or her brother alone on several subjects and say to him, was it a good decision to do this? I think she has no fear and she knows that this family circle is a circle of trust.’ In Case 2, Mary stated: ‘It is necessary to appoint trustworthy and quality people. Family members working in the business must prove their qualities and qualifications. What is important is the sustainability of the company.’ In Case 1, according to Victoria, ‘it is important to ensure a managerial transition between the incumbent and the successor’. In Case 3, Vicky wants ‘to build something by saying it’s for a very long time and to be part of the decision to integrate grandchildren into the family business’. In Case 4, Ana stressed that succession is very important in FFs. She has often discussed this subject with the chairman (her brother). Lena confirmed: ‘The future successor must have experience outside. There is training. It’s essential to work on your skills, your knowledge, your experiences before taking over. Otherwise it’s too much like you took the job because you’re the son of the chairman (...) which develops injustice.’

Finally, the third category highlights women’s involvement in the succession process. In cases 1 and 4, women were not candidates because they were not interested; they had other projects. Still, they wanted to engage with the managerial transition and prepare for the arrival of the successor. They played a benevolent role towards the manager and the chosen successor. They participated in the definition of the role and responsibilities of the successor and wished to ensure the company’s long-term survival. In case 3, the woman is the successor, she is going to lead the FF for the future. In Case 4, they were important contributors to the succession planning process. They had the ability to influence the decision of the chairman (a family member). Regarding this category, the results show that the goals of women directors are ‘renewing family bonds through dynastic succession’.

These results are particularly relevant. The interviews with the different informants allowed us to gather data on women’s goal orientation within FF boards. We argue that these women were committed to accomplishing the above-mentioned goals. Moreover, through their involvement in the boards, they contributed to strategic perspectives and they showed concern about social ties, firm survival and harmony within the family and the firm when the successor is designated.

### **3.3 Influence of women outside the board**

Women behind the scene (women who belong to the family but not to the business) play an important role. As confirmed by the chairmen of cases 1, 2, 3 and 5, the women’s goal is to ensure harmony and avoid conflict. According to the chairman of Case 3 ‘the disputes between children and disagreements in a FF occur after the mother dies, even if the mother is not involved in the management of the company (...). If my daughters have doubts, they can go to their mother and talk to her. The mother is much more important than we think in a FF. As long as she is alive, she reduces tensions. She is the person with whom we want to talk.’

These women may be linked to several generations of the family, but are not active in the business. However, they are committed to the success of the family business, regardless of the level of their direct participation. They have an indirect influence on the business through their impact on the family. In Case 2, Mike stated: ‘My wife works in a large company. When I go home, I can have discussions and share views with my wife to see what is happening elsewhere, in other companies.’ Therefore, their influence goes beyond their direct participation in the FF because their experiences outside the FF bring useful advice to the family business. Hence, their strong commitment towards the business and the family, as well as their other qualities, can permeate the family relationship to the point of affecting the business by influencing the entrepreneur’s motivation and business-related decisions. Through their passion for the family, they provide the business with a powerful asset:

keeping the family together. This is illustrated in the following comments from the chairman of Case 3: ‘The fact that she was a teacher was interesting because she took care of the children while I was busy with the business, and the fact that she was a teacher and had a salary allowed me to take the risk, because I said to myself that if I fail and I don’t have a salary for a certain period of time, there is still the salary of my wife, who comes home and takes care of the children.’ In this way, the influence of the chairman’s wife passes through the family and reaches into the FF.

### **3.4 Negative cases**

In these cases, there are no women on the boards. We have added these negative cases to consider the question of whether all-male boards have the same goals as gender diverse boards. In fact there are similarities.

As to the first category which highlights the core values and foundations in FFs, the values of the family business are linked to the spirit, the values carried by the founder/ the chairman. They are anchored in their history and the experience enriched by each generation. Their image of authenticity and solidity leads to greater commitment and loyalty from employees because they are shared and embodied by all stakeholders. The chairman in Case 5 stated, ‘[i]t is this openness to others that guides my choices, in addition to the interests of the company and its durability’. The non-family member stated: ‘what is important for me is the collaboration with people, I like working in a team, with people, exchanging; and I have a side now, I like to pass on my knowledge.’ In Case 6, Peter highlights ‘ the family business spirit’. He stated: ‘ By involving the employees in business project, it allows us to build the link in the long term.’ Therefore, in relation with this category, the goals of male directors are similar to those of female directors.

The third category, ‘Ensure the continuity of the FF’ is the goal of every owner. The succession in a FF is an important stage in the life of these businesses. It ensures the continuity and sustainability of the FF. In the Case 5, the succession process was initiated by the chairman. When his son agreed to be CEO, the stakeholders required that the chairman did not quit the FF. They requested that he work with his son for a period of 10 years, since the latter has diverse skills but not the technical skills required to run the FF and to ensure its continuity. The chairman in Case 6 is 53 years old. He is thinking about succession as a process that should not happen before 10 years. Therefore, in relation with this category, the goals of male directors are similar to those of female directors.

However, some goals seem to be pursued only by women. It concerns the second category ‘Value emotional considerations and provide a balance to the FF’. We want to focus on the emotional considerations that were not visible neither in Case 5 nor in Case 6. In these cases, men board members, have control over the expression of their emotions and consider that the FF is not a place where they can let their emotions run wild. Therefore, the goals of men differ from those of women here.

## **4 Discussion**

In this paper, we have studied another aspect of gender diversity : the goals of women (family and non-family) on the board of directors of FFs. Our study highlights their goals when joining the board of directors, from their own perspective. They became members of the board for substantive reasons: when they are family members, they aim to participate in the life of the business because it influences the family and the relationships between the family members; when they are not family members, they join the board because of the consistence between their values and the FF’s values. Their presence is not merely symbolic or an attempt to comply with normative considerations. In

conformity with prior research (Campopiano et al., 2017), we highlighted the contributions of the presence of women in FF boards and point out their goals. We aim to raise an interesting debate on their non-economic/non-financial goals.

In fact, our study contributes to the existing literature on this topic by considering the relationship between women directors on FF boards and non-financial variables. We have started with an explorative qualitative study to develop our knowledge on the different variables composing the female directors' goals. Our results highlight the importance of the presence of women in FF boards and outside the Firm (but in the Family) and point out their goals. Howorth et al. (2006) affirmed that even if women were not directly involved in the business, they may play an important role within the family by influencing male leaders' business decision processes. In Heinonen and Stenholm's (2011) investigation of the contribution of women to FFs, from the perspective of the women themselves, the women were vital for the functioning of the FF; crucially, they were very close to the business, a factor that did not depend on formal ownership. Psychological ownership is important in understanding the development of women's contribution in the FF. Women are aware of their role and mission and do not undervalue their contributions, recognising their own ways of exerting an influence (Cesaroni, Pediconi, and Sentuti, 2018). They want to maintain peace and harmony in the family and in the firm by keeping away uncertainty, mediating, removing fear and avoiding conflicts (Cesaroni, Pediconi, and Sentuti, 2018). The SEW approach has provided theoretical arguments that can be applied to their goals. Since a primary reference point for family stakeholder(s) is the loss of their SEW (Gómez-Mejía et al., 2007), their behaviours are driven by the desire to maintain the family's discretion over decision-making (Fiegener et al., 2000b) in order to preserve social and emotional endowments attached to the firm (Gómez-Mejía et al., 2011).

Moreover, several researchers have observed an optimistic view of women's involvement in FFs (Campopiano et al., 2017, Sentuti et al., 2018). Studies suggest that they often play a crucial role in FFs, especially in succession processes (Barrett and Moores, 2009b). Our findings contribute to research stream and confirm these conclusions. Thus, we add, to this literature, three categories of goals set by women in the boardroom of FFs.

Following existing exploration in this field, our findings suggest that women should be included in FF boards and that they can contribute effectively to the succession planning process. They are perceived as being diligent and effective communicators and as more empathetic and team-focused than men (Bear et al., 2010; Rodríguez-Ariza et al., 2017). As a result, a female voice often ensures broader, fresher and more balanced contributions, and can encourage consensus, harmony, family unity and continuity. Our findings confirm these conclusions. We highlight women's involvement in the succession process because they wanted to engage with the managerial transition and prepare for the arrival of the successor. They played a benevolent role towards the manager and the chosen successor. They participated in the definition of the role and responsibilities of the successor and wished to ensure the company's long-term survival. Hence, our results show that the goals of women directors are 'renewing family bonds through dynastic succession'.

As described by prior studies in this field, the presence of independent directors is associated with a reduction of blockholder appropriation (Grosman, Aguilera, and Wright, 2019). Therefore, in light of the SEW framework for FFs, a distinction can be made between the benefits of independent and family-related female directors for board effectiveness (Poletti-Hughes and Briano-Turrent, 2019). However, our findings reveal that there are similarities between the interests of family and non-family directors because of the pseudo-family cohesion which brings the pseudo-family closer

together. As a consequence of this (pseudo)family cohesion, they have a shared concern for the FF's succession.

Hence, the strong (pseudo)family cohesion was driven by noneconomic goals such as the aim to maintain ties to stakeholders, perpetuate the emotional endowment between the (pseudo)family and the business, and a strong desire to maintain power and control, ultimately inducing an increased focus on all organizational members and cohesion within the firms.

Thus, women, whether or not they were family members, have goals aligned with the FF interests and sustainability and aligned with their individual identity (who they are). Still, they formulate goals consistent with their personal and professional characteristics. These characteristics they possess were likely the driving force behind the types of goals they aimed to achieve. They are linked in some way to these key factors driving them. They are consistent with their values, emotions and priorities. Thus, the relation between the involvement of women in the boardroom, their characteristics, the identification of their goals and the succession, leads Hence, the human characteristic of women in FFs boards influence the succession. Figure 2 describes our model which points out the link between the involvement of women in FF boards and the succession.

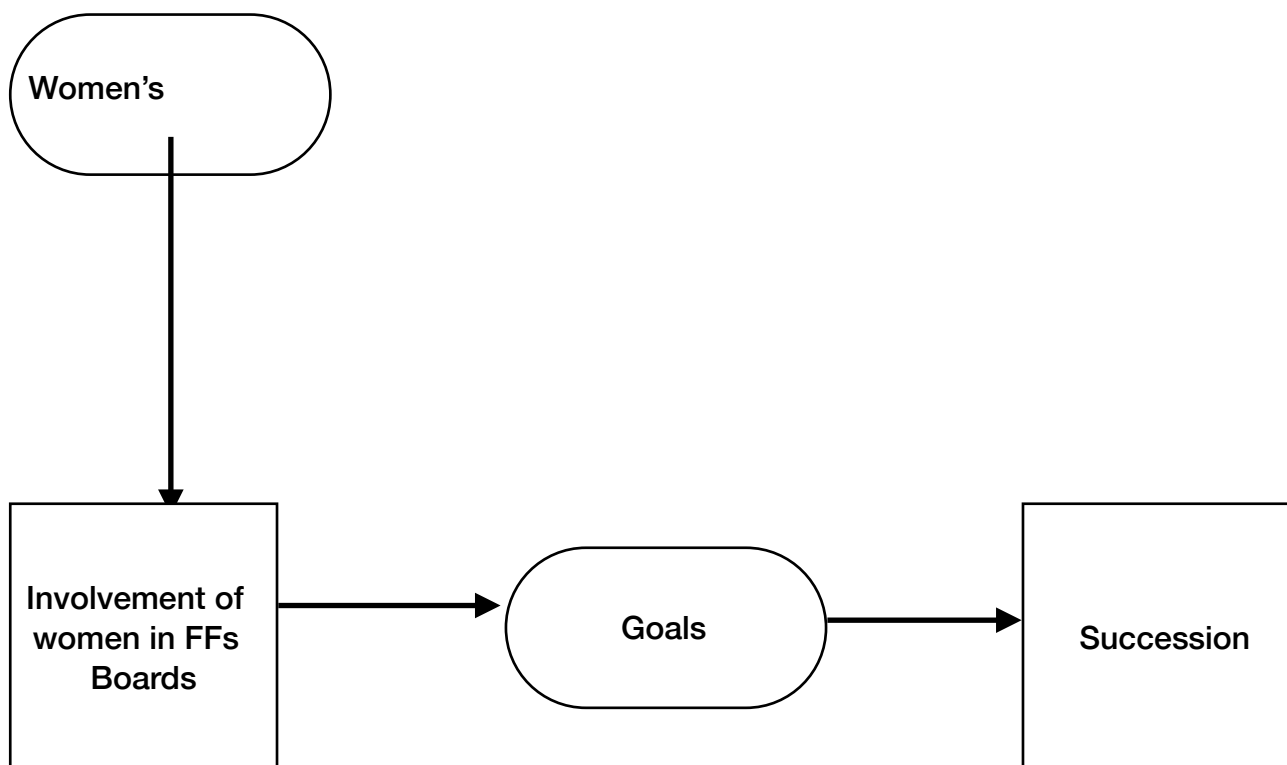


Figure 2: Our model

By including two 'negative' cases in our sample, we could analyse the goals of women directors compared to their male counterparts. As these FFs have no women on their boards, we have explicitly explored whether all-male boards have the same goals. In this respect, the similarities and differences observed in this context are of special interest. Despite having interesting results, whether the goals of men differ from those of women is still unclear because the empirical evidence is decidedly mixed. We find that this comparison should be strengthened by a broader sample of FF.

Furthermore, we identify the need to deepen our understanding of non-financial goals of FFs. In fact, the interaction between family and business introduces strategic considerations for FFs. They need to consider not only financial goals but also family-influenced non-financial objectives, commonly referred to as SEW (Martin and Gomez Mejia, 2016). These goals are rarely, if ever, relevant for non-FFs, but are considered of critical importance for FFs (Chrisman, Chua, Pearson and Barnett, 2012; Kotlar and De Massis, 2013). We have attempted to enhance our understanding of the non-financial goals of FFs and to apply this at the individual level of the family member, particularly to women in the boardroom, as has been called for by several family business scholars (De Massis and Foss, 2018; Jiang et al., 2018; Payne, 2018). Our research demonstrates that constructivist approaches which are discovery oriented and close to the actual lived reality of family members, particularly women on FF boards, can advance our understanding of complex family business phenomena, such as SEW.

Berrone et al. (2012) contributed a great deal to the theoretical development and operationalisation of SEW by structuring the concept according to several dimensions (using the FIBER scale), thus emphasising the multidimensional nature of SEW. Drawing on SEW theory, this study has examined how women goals influence succession. Three dimensions of the FIBER scale (Berrone et al., 2012) are recognised in our data: binding social ties (B); emotional attachment of family members (E); and renewal of family bonds to the firm through dynastic succession (R). Thus, we propose the existence a short form of the FIBER scale, which we call the BER scale. We address the need for validation of this scale and suggest further advancing the SEW concept based on our empirical data. We thus contribute to the development of this highly important and powerful concept in family business research. By using a short form of the FIBER scale, we can determine the impact of women in FF boards on SEW, a key concept in family business research, thereby quantifying the contributions of gender diversity in FFs.

Yet, we suggest a more fine-grained analysis with regard to gender diversity and how boards function (Gabrielsson et al., 2016). We propose that a new tool be created to identify the influence of women in FFs' boards on SEW. We suggest a multidimensional scale, similar to the FIBER scale, which will measure the impact on SEW of the presence of female boards members. This scale would permit quantification of the contributions of gender diversity in FFs. It will highlight and determine the non- financial goals pursued by women in FF.

## **5 Limitations of this research**

Our research findings allow us to identify some limitations emerging from our study. When we chose the case study method, we were aware of the implications of having a limited number of informants. We knew that this presents significant a weakness in terms of generalisation of results. This research method provides an in-depth analysis of the phenomena in context to offer the possibility of developing historical parameters and to ensure strong internal validity; that is to say, the phenomena observed are authentic representations of the studied reality. In short, the case study method is appropriate for capturing the specific complexity and dynamics unique to family businesses. Case study research has a broad scope; it means conducting an empirical investigation of a contemporary phenomenon within its natural context using multiple sources of evidence (Yin, 2003).

This weakness in relation to generalisation can, however, be compensated for by the complementary use of quantitative research methods (Stake 1994, Scholz 2001, Woodside and Wilson 2003). For example, the results of the case study could be used to develop tools for

quantitative collection of data from a statistically representative sample of the population in question.

The FFs in our sample were French and Swiss businesses. The cultural aspects of these countries could limit the transferability of our findings to other countries and different cultural settings. It should be noted that FFs are very diverse. To account for this, it will be relevant to measure the impact of women in FF boards on non-financial goals in a broader sample of FFs.

Moreover, future studies could develop different types of measures of non-financial goals to replace or complement the existing tools and then undertake qualitative studies to validate the empirical results.

## **6 Conclusion**

The purpose of this article was to examine the influence of women's involvement in FF boards (Campopiano et al., 2017). Researchers have found that they often play a crucial role (especially in succession processes) and are 'on the stage' of the FF (Barrett and Moores, 2009b). They aim to maintain peace and harmony in the family and in the firm by mediating and avoiding conflicts among the relatives who work together in the firm. Their influence goes beyond the board of directors to reach the family. Our study reveals that the appointment of women on the FF board of directors provides an opportunity. They have the desire to accomplish various goals when they join the FF.

In terms of theoretical implications, our study underlines the importance of board diversity in FFs by observing that female involvement on the board enhances non-financial goals. This is important considering the need to examine different moderating variables to clarify the SEW components regarding gender diversity. SEW provides a foundation for understanding key differences between FFs and non-FFs. It enhances our understanding of actions taken in FFs (Gomez-Mejia et al. 2007). Our research will help scholars better understand the effects of board composition, which is important because boards are considered major strategic assets (Kim et al. 2009). We propose more fine-grained measurement with regard to gender diversity and its influence on SEW.

Furthermore, interest in the implications of board diversity and particularly gender diversity reaches beyond academia. From a managerial perspective, this study has two important implications for practitioners. The first relates to the appointment of female directors in the boards of family businesses. This study reveals that introducing female directors, whether family or non-family members, may provide diverse perspectives and contributions. The second implication relates to women's high level of involvement in the board, which is very important for family business owners. When they are deeply involved in the board, they can share their knowledge of the family and the firm and contribute to the long-term success of the firm.

With women comprising more than half of the world's population, Ramia El Agamy 'recognises that the increasing focus on women in family business specifically is not the epiphany of a generation or a sudden moment of illumination. It is an economic reality and one that has been pushed forward by multiple generations of women.' The involvement of women in the life of FFs will continue to grow in the future.

We hope that our work will provide a step forward in determining and appreciating the influence of women on the boards of FFs and understanding FFs' non-financial goals.

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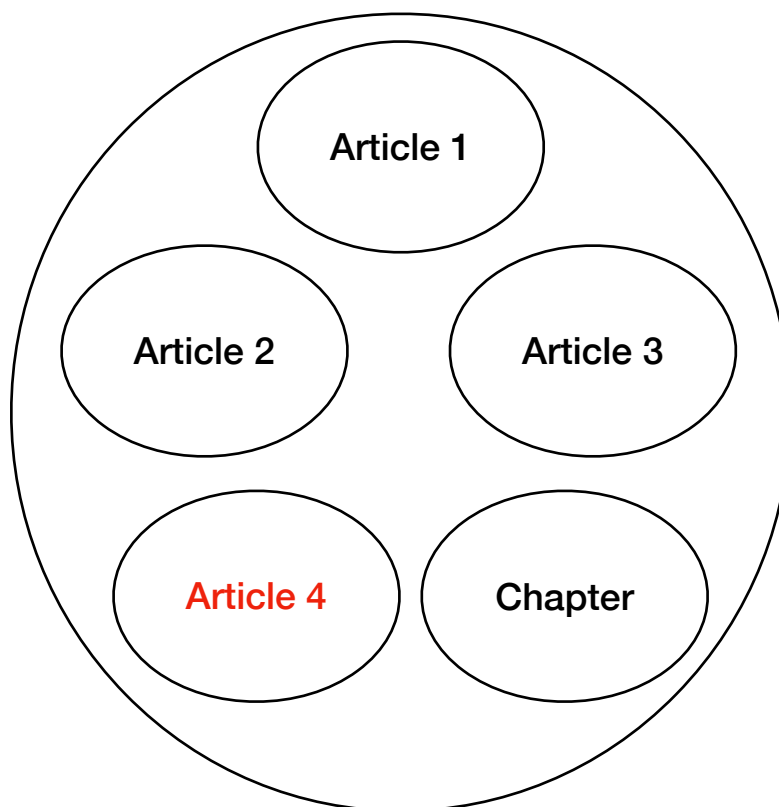
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## 2nd PART



### **Article 4: Les émotions dans la succession familiale**

Numéro spécial consacré aux Entreprises familiales et succession : défis et solutions, coordonné par Céline BARREDY et Miruna RADU-LEFEBVRE, *Entreprendre and Innover* 2020/1 (n° 44), p. 39 à 47. [HCERES 2020 : C / FNEGE 2019 : 4]

#### **Résumé de l'article**

L'aspect émotionnel est omniprésent dans l'entreprise familiale. Il dicte son mode de fonctionnement, autant que son évolution dans le temps. Cet article propose une réponse à cette question : En quoi les émotions peuvent-elles nous permettre de mieux comprendre le processus de succession dans les entreprises familiales ?

Alors même que les émotions sont omniprésentes dans la succession des entreprises familiales, les recherches académiques ont peu examiné de manière empirique les émotions dans le cadre de la succession. Quant aux émotions ressenties par le prédécesseur lors du choix de son successeur,



aucune recherche académique ne l'a encore abordé à notre connaissance. A travers l'examen de deux cas de succession, cet article souhaite apporter un premier éclairage sur les émotions ressenties par le cédant au moment de la prise de décision quant au choix du successeur. Ce faisant, nous mettons en évidence les émotions ressenties et montrons comment ces émotions influencent le comportement et les décisions du prédécesseur. Enfin, nous soulignons l'importance de l'accompagnement des cédants familiaux afin de leur permettre de mieux gérer leurs émotions lors de la succession pour que les émotions ne soient pas un frein à l'action.

**Points clés de l'article et implications pour les praticiens (3 à 5 pastilles)**

- Améliorer la compréhension du processus de succession dans les entreprises familiales à travers l'examen des émotions ressenties par les différents acteurs familiaux
- Gérer les aspects émotionnels du processus de succession du point de vue du cédant
- Décrire les émotions ressenties par le cédant au moment de la prise de décision sur le choix du successeur
- Choisir un accompagnateur qui puisse répondre aussi bien aux questions professionnelles qu'aux problématiques personnelles
- Se faire accompagner pour que les émotions ne soient pas un frein à l'action

## **Les émotions dans la succession familiale**

L'émotion revêt une importance certaine pour comprendre les décisions et les actions des membres de la famille dans les entreprises familiales (Harrell, 1997 ; Kellermanns, Eddleston et Zellweger, 2012 ; Zellweger et Dehlen, 2011). L'aspect émotionnel, omniprésent dans l'entreprise familiale dicte son mode de fonctionnement, autant que son évolution dans le temps. En effet, quand nous parlons d'émotions, nous nous référons à des réactions affectives subjectives qui ont une cause ou un objet clair, qui sont de courte durée et qui se concentrent sur une cible spécifique (adapté de Barsade, 2002). Les émotions au sein des entreprises familiales émergent et évoluent dans le temps notamment lors des événements critiques pour la vie de la famille et/ou de l'entreprise (Gersick, Davis, Hampton et Lansberg, 1997).

Cependant, selon Shepherd (2016), il existe des lacunes substantielles dans notre compréhension des émotions dans les entreprises familiales (voir aussi Brundin et Härtel, 2014). Nous nous référons en particulier à la succession et au transfert intergénérationnel qui constituent un défi permanent pour ces entreprises. Une grande partie de la recherche sur les entreprises familiales a été consacrée à l'exploration des problèmes, des défis et des solutions associées à la succession des entreprises familiales (par exemple, Chrisman et al., 2009). Pourtant, les émotions dans la succession familiale ont été peu étudiées de manière empirique dans la littérature académique (Radu-Lefebvre et Randerson, à paraître).

Cet article propose une réponse à cette question : En quoi les émotions peuvent-elles nous permettre de mieux comprendre le processus de succession dans les entreprises familiales ?

### **Emotions et succession dans la littérature**

Les entreprises familiales sont constituées d'un système familial où les enjeux émotionnels sont importants et d'un système entreprise soumis à la logique économique du marché. Ces entreprises ont été longtemps considérées par la littérature comme étant fortement influencées par les émotions issues du système familial (Labaki 2019), la recherche reconnaissant depuis longtemps l'importance de l'émotion pour la compréhension des décisions et des actions (Harrell, 1997 ; Kellermanns, Eddleston et Zellweger, 2012 ; Zellweger et Dehlen, 2011). Or, le propre de l'entreprise familiale c'est que les émotions existent dans les deux systèmes de la famille et de l'entreprise et qu'elles passent d'un système à l'autre et se répercutent sur les deux systèmes (Labaki, Michael-Tsabari, Zachary 2013a).

Une grande partie de ces recherches a été réalisée dans le cadre conceptuel de la richesse socio-émotionnelle qui repose sur le principe selon lequel les entreprises familiales ont une dotation socio-émotionnelle propre, qui représente « le stock de valeurs liées à l'affect qu'une famille tire de sa position dominante dans une entreprise donnée » (Berrone, Cruz, et Gomez-Mejia, 2012, page 271). Cette dotation socio-émotionnelle est essentielle à la compréhension des décisions et actions des membres de la famille, les entreprises familiales prenant des décisions et agissant pour préserver cette dotation (Cruz, Gomez-Mejia et Becerra, 2010; Gómez-Mejía, Haynes, Núñez-Nickel, Jacobson et Moyano-Fuentes, 2007). Bien que ses créateurs et ses partisans soutiennent que la théorie de la richesse socio-émotionnelle en est à ses débuts (Berrone et al., 2012), ces travaux ont eu un impact majeur sur la recherche sur les entreprises familiales et jettent les bases de futures contributions.

Dans ce cadre, l'emprise émotionnelle de la famille sur l'entreprise familiale est considérée comme inévitable et permanente (Carrau, 2019). L'importance des émotions est observable dans les différentes étapes de la vie de l'entreprise et des membres de la famille, dont notamment lors de la succession familiale. « La famille imprime à l'entreprise familiale l'intensité émotionnelle spécifique » (Carrau, 2019). Au sein de cette entreprise se créent et se développent des émotions dont l'influence ne s'arrête ni au seuil de la famille ni au seuil de l'entreprise familiale. En ce sens, Nordqvist et al (2013) expliquent que « manager un transfert revient à manager des émotions » (p. 1112).

Deschamps (2014) souligne l'importance des émotions dans les transferts d'entreprise et justifie l'existence des émotions par « le paradoxe entre continuité et changement d'une part, rupture d'autre part, et par la peur, pour chacun des acteurs du transfert, de ce qui va suivre ». Elle met l'accent sur les changements occasionnés par ce transfert qui constituent des sources d'inquiétude et d'angoisse : « celle d'échouer pour l'acquéreur ; celle d'une autre vie pour le vendeur ; celle de l'avenir pour les collaborateurs de l'entreprise transférée ».

En prenant en compte les enjeux psychologiques, que suscite la succession, il serait pertinent d'étudier la succession familiale à travers l'émotion. Les trois acteurs (cédant, repreneur et collaborateurs) sont concernés et affectés. Dans ces conditions, comment assurer la pérennité de l'entreprise familiale quand les émotions de chacun entrent en jeu ? L'une des principales raisons du taux d'échec élevé parmi les entreprises familiales de première et de deuxième générations est l'incapacité de gérer les aspects émotionnels du processus de succession (Duh, Tominc, et Rebernik, 2009; Van der Merwe, Venter, & Ellis, 2009). La capacité de prendre en compte les sentiments, les décisions et les comportements de plusieurs acteurs à la fois crée un potentiel pour une avancée significative dans l'étude de la succession de l'entreprise familiale.

À notre connaissance, la littérature sur les successions dans les entreprises familiales n'a pas encore permis d'éclairer la succession à travers les émotions ressenties par le prédécesseur au moment de choisir son successeur. Selon nos lectures, les recherches sur la succession dans l'entreprise familiale ont mis l'accent sur les émotions ressenties par les acteurs concernés par le transfert d'entreprise mais ne se sont pas intéressées aux émotions du cédant au moment de la prise de décision.

Cet article souhaite apporter un éclairage sur la succession à travers les émotions ressenties par le cédant au moment de la prise de décision de transmettre l'entreprise à un membre de la famille.

Les émotions ont été définies par Cosnier (1994) comme étant « tous les événements ou états du champ affectif qui se caractérisent par un ensemble d'éprouvés psychiques accompagnés de façon variable en intensité et en qualité de manifestations physiologiques et comportementales » (p.14). Le psychologue américain Paul Eckmann, pionnier dans l'étude des émotions, a dénombré six émotions fondamentales : la joie, la colère, la peur, la tristesse, la surprise, le dégoût (1972).

Comprendre le rôle des émotions dans la succession consiste à comprendre la nature des émotions et leur rôle dans les décisions et le comportement du dirigeant qui va céder sa place. Ce type d'étude pose de nombreux défis car les émotions sont difficiles à saisir puisqu'elles peuvent être camouflées ou simulées. Selon Cahour et Lancry (2011), « l'émergence d'une émotion est un phénomène éminemment particulier, subjectif, dépendant de caractéristiques personnelles en interaction avec la situation spécifique et le sens que cette situation a pour le sujet. Les états

affectifs sont générés par un processus d'évaluation de la situation par le sujet en fonction du sens qu'il lui attribue selon ses intérêts, ses buts et ses motivations ».

### **Emotions ressenties par deux cédants au moment de la prise de décision de transmettre**

Pour comprendre la succession dans les entreprises familiales à travers les émotions ressenties par le cédant au moment de la prise de décision de transmettre, nous avons mis en place un dispositif de recherche qualitative visant à déboucher vers une nouvelle théorisation sur les émotions dans la succession. Pour ce faire, nous avons utilisé l'approche méthodologique de la *grounded theory* (théorisation ancrée) qui est une méthode d'analyse qualitative « visant à générer inductivement une théorisation au sujet d'un phénomène culturel, social ou psychologique, en procédant à la conceptualisation et la mise en relation progressives et valides de données empiriques qualitatives » (Paillé, 1996, p. 184). Cette approche permet une formulation provisoire pour comprendre la complexité des phénomènes tant au niveau conceptuel qu'au niveau empirique de ses mises en situation.

A travers les deux cas suivants, nous souhaitons apporter un éclairage sur les émotions ressenties par le cédant au moment de la prise de décision quant au choix du repreneur et examiner l'influence de ces émotions sur le comportement et les décisions du prédécesseur.

#### Cas 1 : joie, peur et tristesse

L'entreprise A est une entreprise familiale bâtie il y a 67 ans, dont le capital et le management sont entièrement dans les mains de la famille. C'est une société anonyme avec un conseil d'administration. Le cœur de métier de l'entreprise A est la distribution de chauffage et de climatisation, de la petite à la grande chaufferie (gaz, fioul, bois, énergies renouvelables, pompes à chaleur, planchers chauffants, traitement d'eau). Son siège social ainsi que ses deux agences sont situés en France dans le Grand Est. Son effectif est de 25 employés.

Cette entreprise, en plus de vendre des produits de chauffage et de climatisation, fournit des services après-vente. Pour cela, elle dispose d'un service après-vente agréé composé de 9 techniciens qui font partie de l'effectif global et reconnus pour leurs compétences dans les domaines de l'entretien et du dépannage. C'est une entreprise qui défend les valeurs de la durabilité, d'expérience technique, d'écoute des clients et de satisfaction des clients par le biais du service. Le conseil d'administration est composé de 2 couples de la même génération : M. AA et de son épouse et M. MA et son épouse. MA était l'ancien PDG. Il a été remplacé par AA, l'actuel PDG, parce qu'il a atteint l'âge de 80 ans et, conformément aux statuts, il doit quitter ses fonctions.

L'âge du PDG actuel et des autres membres du conseil d'administration (74, 76, 83, 84 ans) et leur long mandat au conseil d'administration nous conduisent à penser que leur expérience leur a permis de développer une très bonne connaissance de l'entreprise et de son environnement au cours des années. Mais l'âge élevé des membres du conseil d'administration peut aussi être considéré comme l'indicateur d'une succession absente. Cela montre que la famille n'a pas planifié la succession et le transfert de l'entreprise familiale afin de prévenir les conflits intrafamiliaux et d'assurer l'avenir de l'entreprise. La famille qui gouverne actuellement s'inquiète de la transmission de l'entreprise à la nouvelle génération de la famille. Les membres du Conseil d'Administration ont suggéré, il y a quelques années, la nomination d'un responsable familial. Il sera chargé de mettre en œuvre des actions relevant de la gestion courante de la société en cohérence avec sa politique globale.

AA nous fait part de son inquiétude quant à la succession et en particulier quant au choix du repreneur. Il a suggéré il y a quelques années à sa fille de rejoindre et diriger l'entreprise familiale. L'acceptation de la fille de reprendre la gestion de l'entreprise a été accueillie avec joie par la famille. C'est une femme qui a une expérience professionnelle dans le même domaine d'activité que celui de l'entreprise, et qui a quitté son poste dans le département international du principal fournisseur de l'entreprise pour rejoindre l'entreprise familiale. Au sein de l'entreprise, elle est entourée de salariés compétents et responsables. La joie ressentie par le PDG est liée à la satisfaction d'un désir, la réussite d'un projet important à ses yeux, celui de voir sa fille reprendre l'entreprise familiale. Lors de l'entretien, cet état de satisfaction et de bien-être s'exprime non seulement dans son discours mais aussi par le sourire, la bonne humeur, la gaieté et les yeux qui pétillent.

Mais AA n'est pas encore rassuré ; pour le moment c'est uniquement le management opérationnel qui a été confié à sa fille dans l'attente de voir ses premiers résultats. « Cela ne veut pas dire que je ne lui fais pas confiance » m'a-t-il dit. « Mais je crains qu'elle n'arrive pas à s'en sortir toute seule. Je préfère l'accompagner et la conseiller, ne pas la laisser toute seule. Je ne viens pas à l'entreprise pour ne pas lui faire d'ombre ou interférer dans ses décisions ». La peur ressentie par le PDG est une émotion d'anticipation. Elle est utile parce qu'elle l'informe d'un danger, d'une menace potentielle ou même réelle car elle lui permet d'agir. « Malheureusement, c'est avec tristesse que je constate que pour le moment les résultats ne sont pas au rendez-vous. Mais gérer une entreprise a besoin d'expérience. Nous avons créé l'entreprise à partir de rien. Maintenant, elle est plus complexe à gérer qu'à ses débuts. Je suis tout à fait conscient du danger de ne pas nous occuper du transfert de la propriété de l'entreprise mais nous faisons les choses étape par étape, pour être sûr que l'entreprise continuera après nous ». La tristesse évoquée par le PDG est liée à une déception, même si elle est temporaire, un sentiment d'impuissance, un souhait insatisfait pour le moment.

Le choix de principe pour le successeur a été fait mais le PDG ainsi que le reste de la famille évaluent actuellement ses performances et repèrent ses compétences effectives. Les émotions négatives ressenties par le PDG ont constitué un frein pour officialiser la succession. Le cédant attend que le successeur désigné fasse ses preuves avant de lui laisser les rênes de l'entreprise surtout qu'il n'y a, à ce jour, aucun relais potentiel au niveau de la gouvernance pour remplacer l'ancienne génération.

### Cas 2 : dégoût, colère et peur

L'entreprise C est une entreprise unipersonnelle à responsabilité limitée, active depuis 27 ans. Elle est localisée dans le Grand Est et elle est spécialisée dans le secteur de la restauration traditionnelle. Son effectif est de 13 salariés. Mme E est gérante de l'entreprise C depuis 2005. Elle a 73 ans. Elle a deux enfants : un fils qui travaille avec elle depuis plusieurs années et souhaiterait reprendre l'entreprise familiale et une fille qui vit à l'étranger avec sa famille et qui n'est pas intéressée par la reprise.

Quand nous évoquons le sujet de la succession avec Mme E, elle se met en colère. La colère de Mme E est une réaction de protection. Elle résulte d'une frustration, d'un sentiment d'injustice, d'une atteinte à son pouvoir et à ses prérogatives dans l'entreprise. Elle a haussé le ton et froncé les sourcils au début de la conversation.

En effet, son fils qui travaille dans l'entreprise depuis plusieurs années a pris contact avec l'expert-comptable pour le persuader de convaincre Mme E de lui céder la nue-propriété de l'entreprise. Le

fait qu'il ait pris cette initiative l'a blessée. Le dégoût, dans ce cas, correspond au rejet de l'action d'une personne- le fils de Mme E- qui est considérée comme une menace dans cette situation. En effet, céder à son fils la nue-propriété en conservant l'usufruit a des conséquences très importantes sur le statut d'associé unique et majoritaire de Mme E. Cela changerait son statut et ses droits. En cédant la nue-propriété de ses parts, elle perdrait son statut d'associé (et les droits et obligations en découlant) sur lesdites parts.

En commentant le comportement de son fils, elle nous a dit : « *Comment cela lui est-il venu à l'esprit ?* ». La surprise de Mme E a été provoquée par un événement inattendu, en lien avec la révélation des intentions de son fils allant à l'encontre de sa perception, de ses représentations. La surprise de Mme E était brève et a laissé place à une autre émotion.

« Pour le moment, c'est hors de question ! » m'a-t-elle confirmé. « Ce n'est pas parce que je ne veux pas qu'il prenne la succession de l'entreprise ! A mon âge, je pensais pouvoir commencer à lever le pied, surtout que je perçois déjà ma retraite depuis quelques années, mais le problème, c'est qu'il travaille quand il veut, il vient au restaurant quand il veut, il prend des vacances quand il veut sans mettre en priorité l'entreprise et son travail. Comment, dans ces conditions, peut-il reprendre l'entreprise ? S'il ne change pas de comportement, je ne pourrai pas lui transmettre l'entreprise. Il mettra la clé sous la porte ». C'est la peur qui a succédé à la surprise de Mme E. Dans ce cas, elle constitue une émotion d'anticipation. Elle est éprouvée par Mme E car cette dernière ressent une menace potentielle pour sa situation. La réaction de Mme E a été d'agir en bloquant le processus de succession. Selon elle, pour reprendre l'entreprise, il faut être capable et le mériter.

Dans ce cas aussi, les émotions ressenties par Mme E ont constitué un frein pour commencer à entreprendre les démarches nécessaires au transfert de l'entreprise.

## **Enseignements et préconisations**

### Une planification nécessaire pour préparer les émotions

Les entrepreneurs ont investi des ressources considérables, du temps et de l'énergie dans leurs entreprises. Ce n'est pas surprenant qu'ils ne transmettent pas leurs entreprises facilement avant de s'assurer qu'elles sont entre de bonnes mains. Les entrepreneurs ont également engagé un investissement émotionnel important dans leur entreprise, qui occupe un rôle central dans la formation de leurs identités, de leurs vies personnelles et professionnelles. Pour ces raisons, ils ont besoin d'anticiper la planification de la succession pour être mieux préparés émotionnellement quand le moment arrive. La planification de la succession leur permet de préparer de manière émotionnelle cet événement. Après la succession, les entrepreneurs qui étaient investis émotionnellement dans leur entreprise réinvestissent leurs émotions ailleurs. Les émotions se produisent avant et après la succession et ont un impact sur le rétablissement émotionnel.

La succession demande une préparation minutieuse, de la rigueur et une certaine maîtrise. De nombreux professionnels tels que les consultants, les juristes, les avocats d'affaires, les fiscalistes, les experts comptable peuvent accompagner le cédant dans des conditions optimales et lui garantir un service de qualité. Néanmoins, quand il travaille avec une entreprise familiale, l'accompagnateur externe ne peut pas se limiter à l'examen des bilans, des indicateurs financiers, ou des ratios... Il faudrait prendre en compte le vécu du cédant, son parcours personnel et professionnel. Dans la phase de la succession, il est impératif pour le dirigeant qui va céder sa place de se faire accompagner par une personne qui le connaît et qui ne se limite pas à l'analyse des chiffres.

Comment faire si l'accompagnateur ne connaît pas le cédant avant cette mission ? Nous proposons que le cédant commence par un « récit de vie » pour permettre à l'accompagnateur de le connaître, et pouvoir répondre par conséquent aussi bien aux questions professionnelles qu'aux problématiques personnelles.

### Se faire accompagner pour que les émotions ne soient pas des freins à l'action

Ces deux cas montrent l'interaction entre la décision et le surgissement des émotions. Les émotions préparent l'action et orientent la prise de décision. Ces émotions influencent considérablement le raisonnement des cédants. Dans les deux cas exposés ci-dessus, les émotions se sont manifestées au moment où il fallait choisir un successeur potentiel. Les émotions des deux prédécesseurs constituent un moteur puissant mais elles ont été aussi un frein. En effet, elles ont bloqué les cédants, ont provoqué des effets indésirables et les ont empêché d'agir pour mettre en place la succession. Dans les deux cas, la peur que les repreneurs ne soient pas à la hauteur les a empêchés de transmettre leurs entreprises malgré l'urgence et la nécessité de le faire. À l'inverse, le fait d'avoir réussi à convaincre un descendant de reprendre l'entreprise procure une grande satisfaction, voire de l'enthousiasme. Les émotions positives stimulent, permettent d'être optimistes quant à l'avenir de l'entreprise. Être attentif à ses émotions, à son ressenti, mettre des mots sur l'intensité de l'émotion développe la conscience émotionnelle et aide à mieux se comprendre et à mieux comprendre l'autre. Toutefois, dans nos deux cas, les cédants semblent plus subir leurs émotions qu'être en mesure de les mobiliser comme des leviers pour une succession réussie.

Une bonne préparation de la planification de la succession aide sans doute à mieux maîtriser ses émotions et ainsi à ne pas freiner l'action. Avec une anticipation, des rôles de chacun, cédants et repreneurs connaissent les périmètres de leurs actions. Nous recommandons aux cédants de se faire accompagner. Il nous semble qu'un accompagnement dans la durée est nécessaire. Cet accompagnement doit être global car il est délicat d'accompagner uniquement sur le plan professionnel sans connaître leurs problématiques globales, y compris sur le plan personnel et familial. Pour réussir sa mission, l'accompagnateur doit donc avoir une bonne maîtrise des historiques professionnels et personnels du dirigeant en place. L'accompagnateur devrait être présent à ses côtés régulièrement, et rester disponible pendant les années de préparation et de règne-conjoint avec le successeur. Concernant ce dernier, un accompagnement peut sans doute l'aider à se détacher de la relation hiérarchique familiale. L'accompagnateur du repreneur doit donc être différent de celui du cédant car leurs objectifs sont différents.

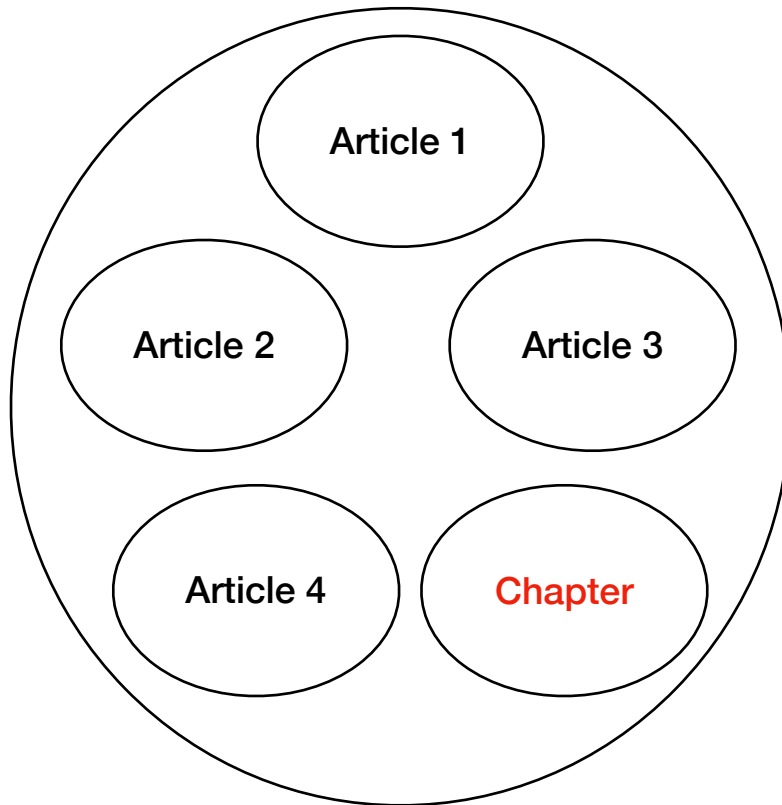
Pour conclure, les émotions représentent une force motrice et un véritable facteur de cohésion et de motivation dans l'entreprise familiale mais elles peuvent aussi la mettre en péril et générer des conflits. En effet, dans le cas de la succession dans les entreprises familiales, le comportement du prédécesseur est influencé par ses émotions qui le poussent à interagir avec son environnement de manière à assurer sa survie, celle de son entreprise et celle de sa famille.

Sur le plan des implications pour la recherche, nous pensons que notre article propose un angle nouveau qui mériterait d'être approfondi. Alors que la recherche sur les entreprises familiales reconnaît l'importance des émotions dans la prise des décisions et des actions, aucune étude empirique n'a encore examiné les émotions des cédants et leur influence lors de la succession. Cet article a essayé, par le biais des émotions, d'éclairer sous un angle nouveau la succession et sa préparation. Enfin, il ne faut pas oublier que dans les entreprises familiales, les émotions sont

déclenchées par des interactions entre la famille et l'entreprise. Elles peuvent avoir un impact non seulement sur la succession mais aussi sur le cours de l'histoire de l'entreprise familiale concernée.



## 2nd PART



### **Chapter: Emotions in Family Business Succession**

Chapter published in Deschamps, B., Missonier, A., Thévenard-Puthod, C., Robic, P., and Barbelivien, D. (Eds.). (2020). *Business Transfers, Family Firms and Entrepreneurship*, Routledge, Taylor and Francis, 39 à 51.

Succession—the transfer of leadership from one generation to the next—is an important challenge that family firms face (Daspit et al ., 2016). As the title denotes, we introduce a new approach to the study of family business succession, which we conceive as an emotion-influenced process, where

feelings can affect the choice of a successor. We present the notion of viewing succession through emotions. This insight opens up a new understanding of family business succession. But why care about emotions? It turns out that they have not been studied extensively in family business succession literature (Radu-Lefebvre and Randerson, 2020). Yet, they bring into play what matters in our lives: emotions pass through us, they constitute our humanity, our relationship with ourselves, with others and with our environment. In fact, all human behaviour depends on the emotional experience. Hence, our everyday experiences leave little doubt that emotions influence the decisions we make (Schwarz, 2000). This concept also applies to organisations: emotions affect organisational processes, decisions and outcomes (Shepherd, 2016). Hence, one of the main reasons for the high failure rate among first- and second-generation family businesses is the inability to manage the emotional aspects of the succession process (Duh et al., 2009; Van der Merwe et al., 2009). The ability to take into account the feelings, decisions and behaviour of many actors at once creates potential for a significant breakthrough in the study of family business succession.

This chapter makes several contributions to theory and practice in family firms. The first is to think differently about family business succession by enhancing the influence of emotions on the succession planning process, which is a key challenge in family business research. The second is to point out that emotions have a different outcome regarding the succession planning process. The third is to explore succession through the emotions felt by the predecessor when choosing their successor. There are also implications for family firms' owners. In fact, emotions influence the reasoning of the incumbents. We aim to raise awareness of their emotions, which could help them control their emotions better and prepare for succession planning.

The remainder of this article is organised as follows. It begins by defining emotions and providing a literature review of emotions and decision making in family firms, and of emotions and succession in the literature. Next, it empirically validates the influence of the predecessor's emotions when choosing a successor by using two short case studies. Finally, it concludes by discussing the results and their implications.

## **1 Emotions in the Literature**

Emotions are defined by Cosnier (1994, translated) as "all the events or states of the affective field characterised by a set of experienced psychics accompanied in varying ways by the intensity and quality of physiological and behavioural manifestations" (p.14).

Understanding the role of emotions in family succession means perceiving the nature of emotions and their role in the decisions and behaviour of the incumbent. This type of study poses many challenges because emotions are difficult to grasp: they can be hidden or simulated. According to Cahour and Lancry (2011), "the emergence of an emotion is an eminently peculiar, subjective phenomenon, dependent on personal characteristics in interaction with the specific situation and the sense that this situation has for the subject. Affective states are generated by a process of evaluation of the situation by the subject according to the meaning that he attributes to it according to his interests, his goals and his motivations" (p.101). Therefore, it will be crucial to consider the particular situation surrounding each family succession, as we do in the case studies which follow, in order to understand the emotions experienced. But, in general, how do emotions intervene in a family firm's decision-making?

## 1.1 Emotions and Decision-Making in Family Firms

It has only been in recent years that emotions became a topic of interest for decision-making research. Until then, the decision maker was assumed to behave according to rational and distinctly formulated principles ( Van Hoorebeke, 2008 ).

However, family firms are concerned with emotions. These businesses include a family system that is at least partially governed by emotional relationships, and a business system that is subject to the economic logic of the market ( Stewart, 2003 ; Cohen and Sharma, 2016 ). Complexity emerges when these two systems are overlaid, resulting in substantial heterogeneity ( Stewart, 2003 ; Cohen and Sharma, 2016 ). Given this complexity and heterogeneity, much remains to be studied about the causes and consequences of family firms' behaviour on succession planning ( Whetten et al ., 2014 ; Gagné et al ., 2014 ).

Moreover, emotion is important for understanding the decisions and actions of family members in family-owned businesses ( Harrell, 1997 ; Zellweger and Dehlen, 2012; Kellermanns et al ., 2012 ). The emotional aspect, omnipresent in a family business, dictates its mode of operation and its evolution over time. Indeed, when we speak of emotions, we refer to subjective affective reactions that have a clear cause or object, which are short-lived and focus on a specific target (adapted from Barsade, 2002 ). Emotions in family businesses emerge and evolve overtime, especially during critical family and/or business events ( Gersick et al ., 1997 ).

However, according to Shepherd (2016), there are substantial gaps in our understanding of emotions in family-owned businesses (see also Brundin and Härtel, 2014 ). Most of the research on family-owned businesses has been devoted to exploring the problems, challenges and solutions associated with the succession of family-owned businesses (e.g., Chrisman et al ., 2009 ). However, emotions in family succession have been scarcely studied empirically in the academic literature (Radu-Lefebvre and Randerson, 2020).

Research in the field of neuroscience has confirmed the physiological link between emotion and decision-making. Damasio (2003) has shown that individuals cannot make decisions when the areas of their brains associated with emotional processes have been damaged. Ledoux (1998 ) provided further neurobiological evidence of the link between emotion and decision-making. Many studies, often in experimental psychology, have more recently shown that emotions: (1) prepare for action and guide decision-making, and (2) influence creativity and reasoning, guiding judgements/evaluations, memory recall and perception, in the sense of a positive/negative congruence ( Cahour, 2010 ).

However, according to Lazarus (1991 ), emotion depends on a combination of motivation, interest and environment, inducing the individualisation of the decision. He argues that the decision depends on human values, religion, politics, loyalty, righteousness, justice, compassion, trust and self-interest.

Emotions are thus not considered here as a marginal factor, intervening from time to time, but as constitutive of all activity, unfolding in a constant and moving flow of emotional states that direct and impact actions, relationships and reflections, and which are themselves modified by the activity that unfolds and the situation that is built (Lépine and Martin-Juchat, 2018).

Therefore, we aim to enhance our understanding of emotions and their influence on the succession planning process, which remains an under-explored research field ( Brundin and Härtel, 2014 ; Shepherd, 2016), as the following section will demonstrate.

## **1.2 Emotions and Succession**

Family businesses have long been considered by the literature to be strongly influenced by emotions from the family system (Labaki, 2019), because research has long recognised the importance of emotion in understanding actions ( Harrell, 1997 ; Zellweger and Dehlen, 2012; Kellermanns et al ., 2012 ). However, one characteristic of a family business is that emotions exist within the two systems of both the family and the company, and that they pass from one system to the other, having repercussions on them both ( Labaki et al ., 2013 ).

Much of this research has been carried out within the conceptual framework of socio-emotional wealth, which is based on the principle that family businesses have their own socio-emotional endowment, which represents “the stock of values related to the affect a family derives from its dominant position in a given enterprise” ( Berrone et al ., 2012, p.271). This socio-emotional endowment is essential to understanding the decisions and actions of family members, as well as family businesses making decisions and acting to preserve this endowment ( Gómez-Mejía et al ., 2007 ; Cruz et al ., 2010 ). While its creators and supporters argue that the theory of social-emotional wealth is in its infancy ( Berrone et al ., 2012 ), this work has had a major impact on research into family-owned businesses and lays the foundation for future contributions.

Succession planning is influenced by economic and non-economic considerations of the resigning owner-manager (e.g., Cardon et al ., 2005 ; DeTienne, 2010 ; DeTienne and Chirico, 2013 ; Wennberg and DeTienne, 2014 ), because owner-managers feel emotionally attached to their firm ( DeTienne, 2010 and Dehlen et al ., 2014), strongly identify with their business ( Zahra, 2003 ) and even care about its post-exit prosperity( Graebner and Eisenhardt, 2004 ).

Therefore, it would be relevant to empirically validate how emotions affect one particular type of decision making in family firms: the choice of the successor.

In this context, the emotional influence of the family on the family business is considered inevitable and permanent ( Carrau, 2019 ). The importance of emotions can be seen in the various stages in the life of the company and of the family members, including during family succession.

“The family prints to the family business the specific emotional intensity” ( Carrau, 2019 , p.236). Within this type of company, the influence of the emotions that are created and developed does not stop at the threshold of the family or the threshold of the family business. In this sense, Nordqvist et al . (2013 ) explain that “managing a transfer is like managing emotions” (p.1112).

Deschamps (2014 ) emphasises the importance of emotions in business transfers and justifies the existence of emotions as the paradox between continuity and change on the one hand, and rupture on the other, and by fear, for each of the actors of the transfer, of what will follow. She points out the changes caused by this transfer, which constitute sources of anxiety and worries: “that of failing for the purchaser; that of another life for the salesman; that of the future for the employees of the transferred company” (p.77).

Taking into account the psychological stakes that the succession provokes, it would be relevant to study family succession through emotions. The three actors (the incumbent, successors and employees) are concerned and affected. Employees feel fear. They must get used to the idea of what they are losing, while asking themselves the question of what comes next and facing the unknown of what will happen. The issue for the successor is taking the place of the incumbent and truly being up to the challenge. As for the incumbent, their final departure will be experienced as a rupture. In these conditions, how can stakeholders ensure the sustainability of a family business when everyone's emotions come into play?

To our knowledge, the literature on family business transfers has not yet shed light on succession through the emotions felt by the predecessor when choosing their successor. According to our reading, research on succession in the family business focuses on the emotions felt by those involved in the transfer of business, but does not concern itself with the emotions of the incumbent at decision-making time.

## 2 Empirical Study

The American psychologist Paul Ekman et al . (1972), a pioneer in the study of emotions, counted six fundamental emotions: joy, anger, fear, sadness, surprise and disgust. Let us therefore provide some details on the specific messages of each of the six basic emotions very often experienced.

1. **Anger** tells us that the current situation is unacceptable for three possible reasons:
  - One of our important values is being flouted;
  - Our limits have been crossed; or
  - Our needs are neither heard nor fed, and it is time to take action to change the situation.
2. **Fear** tells us that there is danger in our environment and it is time for us to identify security points so that we can continue to move forward.
3. **Disgust** tells us that something is toxic in the environment and it is time to get away.
4. **Sadness** tells us that the ideal situation hoped for cannot take place, and we will have to accept it in order to move on. Clearly, we will have to mourn the expected ideal situation.
5. **Joy** is directly associated with pleasure and happiness. It appears in response to the resolution of any personal goal or the alleviation of a state of ill-being.
6. **Surprise** is a reaction caused by something unexpected, new or strange. In fact, it appears when a stimulus that the subject does not expect in their predictions or schemas is presented.

To better understand the role that emotions can play in planning family firm succession, we chose two examples to examine and interpret this phenomenon. Through the following two cases, we wish to shed light on the emotions felt by the predecessor when making decisions about the choice of their successor and to examine the influence of these emotions on the predecessor's own behaviour and decisions.

## Case 1: Joy, Fear and Sadness

PEB is the CEO of 'S'. This group, whose headquarters are located in the north-east of France, specialises in waterproofing, thermal insulation and roofing. 'S' was founded in 1908 by PEB's grandfather. Today, more than 110 years after its creation, the company employs nearly 7,000 people in 90 countries. PEB's family owns 100% of the company.

PEB expresses his concern about the succession and, in particular, the choice of a successor. "*S' is certainly a family business, but I did not inherit it, I got into debt to buy it back*". In 1992, he became the CEO of the family business group that then made 230 million euro in turnover.

PEB began his career in auditing before his grandfather asked him to join 'S' in 1989 as CFO. He was barely 30 years old. His mission was to improve the difficult situation of the company, which had unstable management. The young man never planned to stay long and yet, when his grandmother died, shareholder conflicts broke out. PEB started running a race against his grandfather to buy all the shares.

Since then, the businessman has learned lessons from the past. "I do not want to make the same mistakes as my grandfather who didn't want to let go of the family business. We must know how to leave the place for young people and enthusiasm. If you stay too long, you risk thinking of yourself as indispensable."

According to PEB, the company should adapt to the future, ready to be transmitted to the future generation. He thinks also about building the future. One of his sources of professional pride is the in-house training school that he launched, accredited to issue CPCs (Certificate of Professional Competence) for all the jobs practiced in the company.

He thinks that all individuals will eventually disappear, but the company must continue by adapting. This adaptation is the next step for the group, which is preparing to choose a successor. He confirmed that his son has expressed his intention to join the family business. This acceptance by the son to take over the management of the company was greeted with joy by the family. The joy felt by the CEO is related to the satisfaction of a desire—the success of an important project in his eyes—that of seeing his son take over the family business. During the interview, this state of satisfaction and well-being was expressed not only in his speech, but also through his smile, good humour, cheerfulness and sparkling eyes.

But PEB is not yet reassured; for the moment, his son has to complete training within the company and work as a simple employee. He will be assigned a managerial position later. "*That does not mean I do not trust him*", he stated. "*But I'm afraid he cannot deal with all the issues*". The fear felt by the CEO is an anticipation emotion. It is useful because it informs of a danger, a potential (or even real) threat, and it allows the individual experiencing the emotion to act.

"*But running a business needs experience. Now it is more complex to manage than it was in the beginning. I want to be sure that the business will continue after I let go. I am sad because he is not ready yet. My sadness proves what the company means for me*". The sadness expressed by the CEO is linked to disappointment (even if it is temporary), a feeling of helplessness and an unfulfilled wish for the moment.

In principle, the choice of successor has been made, but the CEO is currently evaluating his performance and identifying his actual skills. The negative emotions felt by the CEO have been an obstacle to formalising the succession. The predecessor waits for the designated successor to prove himself before leaving him the reins of the company.

## **Case 2: Disgust, Anger and Fear**

MH is the CEO of 'H', which is one of the leading wine producers in the north-east of France. Founded in 1639 and still active, this company produces high-end wines from its own vineyards and, as a wine merchant, markets products from other selected winemakers under long-term contracts. Strongly established in foreign markets, it exports nearly 80% of its wines.

When we first met MH, he had a simply inexhaustible enthusiasm for the discovery of extraordinary soil. Before you even take a walk in the vineyards or taste his wines, MH offers you a fundamental lesson in geography and geology. MH is not alone at the controls. Here, as you may guess, wine is a family affair. His father AH is never far from the cellars (where, pride of place, is the world's oldest active vat—constructed in 1715, it holds 1,800 litres. You have to see it.); his nephews MAH and JFH—the latter being the son of his late brother EH, who died in 2016—roam the world to carry 'the good word'; his cousin JPH also presides over the destiny of the company.

However, it is MH who spoke to us with passion and insatiability about the soils he tirelessly explores, having worked 20 years ago on soil pits to understand the earth near its 250 scattered plots across 30 hectares. *"This is how you learn the true nature of the soil: limestone, clay, granite, organic layer thickness, hydromorphy, structure, compactness ..."*. When we discussed the subject of succession with MH, he got angry. His son wants him to let go of the family business and allow him to manage the firm instead. On this subject, MH's anger is a protective reaction. It results from frustration, a feeling of injustice, an attack on his power and his rights in the company. He raised his voice and frowned at the beginning of the conversation.

Indeed, his son—who has been working in the company for several years—asked him to resign and wanted him to convince the other family members to appoint him as CEO. The fact that his son took this approach hurt MH. Disgust, in this case, is the rejection of the action of a person (MH's son) who is considered a threat in this situation.

When commenting on his son's behaviour, he asked us, *"How did he come up with the idea?"* MH's surprise was provoked by an unexpected event related to the revelation of his son's intentions, which went against his perception, his representations. MH's surprise was brief and gave way to another emotion.

*"For the moment, it's out of the question!"* He confirmed, *"It's not because I do not want him to take over the company! Thinking about and preparing for the succession of the company is a must. Followed rigorously at all stages of its development under the supervision of a member of the family, the wine, once in bottles, then stays on average two years in the cellars and is only labelled after a final quality control. He does not have the complete knowledge of our methods. How, under these conditions, can he take over the business? If he does not change his behaviour, I will not be able to defend his application before the family members"*. It is fear that followed surprise for MH.

In this case, it is an anticipation emotion. MH feels a potential threat to his situation. MH's reaction was to act by blocking the succession process. According to him, to take over the business, one must be capable and deserve it.

In this case, like Case 1, the emotions felt by MH were an obstacle to beginning the necessary steps towards the transfer of the company.

Finally, to understand and manage emotions, company stakeholders need to listen to the messages coming from incumbent, like MH, and take one or more actions to change the situation.

### **3 Discussion**

The purpose of this chapter was to propose that family business succession is an emotion-influenced process, which can affect the choice of a successor. For family firms, succession embodies the central issue to be addressed in order to survive. Prior studies already pointed to the fact that emotions affect decision-making processes in family firms (Shepherd, 2016; Holt and Pop, 2013 ). These emotions greatly influence the reasoning of the incumbents. In the aforementioned cases, emotions manifested themselves when choosing a potential successor. The emotions of the incumbents were a powerful engine, but they also had a dragging effect. Indeed, they blocked the incumbents, provoked undesirable outcomes and prevented them from acting to set up the succession process. In fact, the fear that the successor would fail to keep up with them prevented them from passing on their businesses, despite the urgency and the need to do so. Conversely, having managed to convince a descendant to take over the business provides great satisfaction, even enthusiasm. Positive emotions can stimulate, allowing the incumbent to be optimistic about the future of the company. Being attentive to one's emotions, to one's feelings, and putting the intensity of the emotion into words develops emotional awareness and helps people to better understand themselves and to better understand the other person. However, in both the cases discussed here, the incumbents seem to be too emotional to be able to mobilise those emotions as levers for a successful succession.

Entrepreneurs have invested considerable resources, time and energy into their businesses. It is not surprising that they do not pass on their businesses easily without first making sure they are in good hands. Entrepreneurs have also made a significant emotional investment in their business, which plays a central role in shaping their identities, and their personal and professional lives. For these reasons, they need to anticipate succession planning to be better prepared emotionally when the time comes. After the succession, entrepreneurs who were emotionally invested in their business reinvest their emotions in planning for their personal future. Emotions occur before and after the succession and have an impact on emotional recovery. Good preparation for succession planning probably helps to better control their emotions and thus should not slow down the action. If both incumbents and successors work to anticipate the future, they will understand the boundaries of their actions.

Succession requires careful anticipation, rigour and expertise. It can help the incumbent to be accompanied through the process by other professionals, such as consultants, lawyers, business lawyers, tax experts and accountants. An external consultant should not be limited to reviewing balance sheets, financial indicators or ratios; they should take into account the experience of the incumbent, including their personal and professional background. In the succession phase, it is imperative for the incumbent to be accompanied by a person who knows them. But what should



they do if the advisor does not know the incumbent before this mission? We propose that the incumbent starts with a 'life story' to allow the advisor to know them and therefore be able to respond to both professional and personal issues.

We encourage incumbents to receive support throughout the succession process from an advisor. It seems to us that long-term support is necessary. This support must be global because it is difficult to accompany someone only on a professional level without knowing their global problems, including on a personal and family level. To succeed in their mission, a consultant must have a good knowledge of the professional and personal history of the incumbent. The advisor should be present at their side regularly, and remain available during the years of preparation and joint reign with the successor. Regarding the latter, an external consultant can undoubtedly help them to detach themselves from the family hierarchical relationship. This consultant must therefore be different from that of their predecessor because their objectives are different.

### **Conclusion and Implications**

To conclude, emotions are a driving force and a real cohesive and motivational influence in a family business, but they can also endanger it and generate conflict. Indeed, in the case of succession in family businesses, the behaviour of the incumbent is influenced by their emotions, which push them to interact with their environment in order to ensure their survival, and that of the company and the family.

In terms of the implications for research, we believe that our work proposes a new angle that deserves further study. While family business research recognises the importance of emotions in making decisions and taking actions, no empirical study has yet examined the emotions of incumbents and their influence in succession. This chapter has aimed to shed new light on succession and its preparation by examining emotions. As for the managerial contributions, we point out the need for family incumbents and successors to have trusted advisors to accompany them during the succession process so that emotions do not constitute an obstacle to action. Finally, we must not forget that, in family businesses, emotions are triggered by interactions between the family and the company. They can have an impact not only on the succession, but also on the course of the history of the family business.

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# Résumé de la thèse

## Introduction

Les entreprises familiales (EF) constituent la forme dominante des entreprises dans le monde (De Massis et al. 2018). Des études récentes confirment leur importance quant à la dynamique locale et internationale (Basco, Stough et Suwala 2021 ; Leppäaho et Jack 2021). Nous retenons les éléments déterminés par les études antérieures (De Massis, Chirico, Kotlar, and Naldi, 2014 ; Kotlar et De Massis, 2013) et définissons les EF comme étant celles qui sont détenues et gérées par une famille. Elles diffèrent des entreprises non familiales par l'implication de la famille dans la propriété et/ou la gestion de l'entreprise (Randerson et Radu-Lefebvre, 2021). La famille est également concernée dans la détermination et la réalisation des objectifs ainsi que dans la prise de décision (Le Breton-Miller et Miller, 2008).

Pour les EF, la succession est une décision primordiale (Umans et al., 2020). Elle conduit à la poursuite d'objectifs financiers et non financiers, ces derniers étant fondés sur le concept de richesse socio-émotionnelle (Berrone et al., 2010). Leur réalisation est facilitée par les mécanismes de gouvernance des EF (Randerson et Radu-Lefebvre, 2021). En effet, ces organes de gouvernance sont fortement influencés par la relation spécifique entre la famille et l'entreprise (Sacristan-Navarro et Gómez Ansón, 2009 ; Barrédy, 2020), ce qui peut conduire à des configurations particulières du conseil d'administration (Voordeckers, Van Gils, et Van den Heuvel, 2007 ; Basco et Voordeckers, 2015) et à des rôles différents pour les membres du conseil d'administration (Ng et Roberts, 2007 ; Bammens, Voordeckers et Van Gils, 2008 ; Basco et al., 2015).

Les rôles et la composition du conseil d'administration des EF ont suscité une attention croissante de la part des chercheurs (Lohe et Calabrò, 2017). En effet, la gestion de l'EF est régie par un compromis entre les valeurs, les normes et les objectifs de trois systèmes : la famille, l'entreprise et les actionnaires (Basco et Perez Rodriguez, 2009). La gouvernance d'une EF consiste à identifier les objectifs de l'EF en conformité avec les membres de la famille, et les autres parties prenantes et notamment le renouvellement des liens familiaux à travers la succession, sachant que l'une des obligations légales du conseil d'administration est de veiller à la succession des dirigeants afin d'assurer la continuité de l'EF (Umans et al. 2020). Cette définition doit être complétée par l'utilisation des ressources disponibles qui existent dans l'organe de gouvernance, afin d'atteindre ces objectifs (Chrisman et al., 2018). L'enjeu consiste à créer un équilibre entre les besoins et les intérêts des individus d'une part, et ceux de la communauté familiale d'autre part (Gersick, Davis, McCollom, Hampton et Landsberg, 1997 ; Landsberg, 1999), Hirigoyen (2009).

L'objectif de notre thèse est de percer les secrets des êtres humains qui composent la gouvernance de l'EF. Ces personnes font des choix, prennent des décisions et interagissent au sein de l'organe de gouvernance de l'EF. Nous souhaitons montrer l'importance de l'humain et de ses caractéristiques au centre de l'EF, notamment la diversité humaine.

Notre travail de recherche aborde ce sujet sous un nouvel angle, puisqu'il propose d'étudier la composition du conseil d'administration des EF de taille intermédiaire en mettant l'accent sur les caractéristiques et le comportement de chaque administrateur qui guideraient le choix du successeur. Par conséquent, la diversité des administrateurs peut affecter les rôles du conseil

d'administration, et la décision de la succession (Arteaga et Menéndez-Requejo, 2017 ; Songini et al. 2013).

**Notre principale question de recherche est la suivante : comment la composition du conseil d'administration des EF de taille intermédiaire influence la succession et en particulier le choix d'un successeur?**

Cette problématique se décline en plusieurs questions de recherche qui structurent le fil conducteur de la thèse.

Les EF sont généralement plus complexes en termes de gouvernance que les entreprises non-familiales. L'ajout des émotions et des enjeux familiaux à l'entreprise augmente la complexité des défis auxquels ces entreprises sont confrontées (Umans et al. 2020). Par conséquent, une sélection réussie des administrateurs met l'accent sur leur contribution potentielle à l'entreprise plutôt que sur leur appartenance ou non à la famille (Gonzales-Bustos et al, 2020). Ainsi, nous cherchons à obtenir plus d'informations sur les êtres humains qui composent le conseil d'administration, qu'ils soient membres de la famille propriétaire ou non. D'une part, leur comportement lors de la transmission de l'entreprise et du choix du successeur mérite d'être exploré. D'autre part, l'implication de divers administrateurs dans le conseil d'administration pourrait aller au-delà des objectifs financiers et affecter la richesse socio-émotionnelle (SEW). Enfin, nous posons dans la thèse que les caractéristiques humaines de l'équipe de direction affectent la succession. Ceci nous amène à présenter le contenu des articles inclus dans cette thèse, correspondant chacun à une question de recherche secondaire.

QR 1 : Comment la diversité démographique et cognitive des administrateurs affecte-t-elle leur comportement et comment influence-t-elle les rôles qu'ils jouent au conseil d'administration? Nous concevons que la diversité démographique (âge, genre et nationalité) et cognitive (niveau d'éducation, expériences professionnelles et personnelles) des administrateurs dans le conseil d'administration des EF influence leur comportement et est susceptible d'affecter les rôles du conseil. La théorie des échelons supérieurs (Hambrick and Mason, 1984) est utilisée pour souligner que les administrateurs apportent des ressources particulières aux entreprises. Nous soutenons qu'il existe une relation entre la diversité (démographique et cognitive) des administrateurs, leur comportement et leurs rôles dans la gouvernance de l'EF et dans la succession. Ceci contribue à la question de recherche principale en approfondissant la composition du conseil d'administration du point de vue des individus qui la composent (article 1).

QR 2 : Comment les expériences passées des administrateurs influencent-elles le choix du successeur au sein de l'EF? Cela nous amènera à examiner l'influence de la diversité sur le choix d'un successeur, dans l'objectif d'apporter une réponse à la question de recherche principale. Nous choisissons de nous concentrer sur les expériences passées des administrateurs. Nous soutenons que le prisme théorique du voyage mental dans le temps (Ernst, 2019), est pertinent pour étudier et expliquer les choix des administrateurs car ces derniers utilisent leurs expériences antérieures pour construire de nouvelles options et développer de nouveaux choix. Notre problématique consiste à comprendre comment leurs expériences passées façonnent la perception que chaque directeur a du successeur et conduisent au choix de ce dernier (article 2).

QR 3 : Comment les objectifs des femmes influencent-ils la succession dans les EF? Le rôle des femmes dans les conseils d'administration des EF suscite un intérêt croissant. L'analyse de la

littérature existante met pourtant en évidence un manque d'études sur le lien réciproque entre les objectifs non financiers des EF (Gagné, De Massis, et Sharma, 2014 ; Campopiano, 2017) et l'implication des femmes dans ces entreprises. En nous appuyant sur la théorie de la SEW, nous cherchons à explorer les objectifs associés à la participation des femmes aux conseils d'administration des EF et nous soutenons que le principal objectif de ces femmes est le renouvellement des liens familiaux par la succession dynastique, ce qui contribue à apporter une réponse à l'influence de la composition du conseil d'administration sur la succession, sous l'angle du genre (article 3).

QR 4 : Comment les émotions nous permettent-elles de mieux comprendre la succession dans les EF? Enfin, nous avons étudié la succession des EF, que nous concevons comme un processus influencé par les émotions. En effet, l'une des principales raisons du taux d'échec élevé des EF de première et deuxième génération est l'incapacité à gérer les aspects émotionnels du processus de succession (Duh, Tominc, et Rebernik, 2009 ; Van der Merwe, Venter, et Ellis, 2009 ). Cet article cherche à faire la lumière sur les émotions ressenties par le prédécesseur au moment de cette importante décision, contribuant ainsi à mettre l'accent sur ces caractéristiques humaines et leur influence sur la succession (objet de la question de recherche principale). La capacité de prendre en compte les sentiments, les décisions et le comportement de nombreux acteurs à la fois crée un potentiel pour une avancée significative dans l'étude de la succession des EF (article 4).

Notre thèse est divisée en deux parties. La première partie comporte trois chapitres et une conclusion: le premier expose la revue de littérature et le cadre théorique, le second explique la méthodologie utilisée, le troisième présente les résultats et la discussion et la conclusion résume les contributions, les limites de ce travail et propose des pistes pour des recherches futures. La deuxième contient, en version intégrale, les quatre articles, et le chapitre inclus dans un manuel de recherche sur la transmission d'entreprise.

## **Chapitre 1: Revue de littérature et cadres théoriques**

Ce chapitre identifie les lacunes de recherche étudiées dans cette thèse ainsi que le cadrage théorique. Pour ce faire, plusieurs thèmes ont été recherchés dans la littérature. Nous commençons par le cadre général de la succession dans les EF qui constitue le point de liaison entre les articles et le résultat attendu. Ensuite, les émotions sont mises en évidence dans la succession des entreprises familiales. De plus, nous avons exploré la littérature antérieure sur les rôles du conseil d'administration dans les EF et sa composition. En s'appuyant sur la dimension humaine dans les entreprises familiales, l'investigation de la diversité était pertinente, ce qui nous a conduit à présenter la littérature sur la diversité démographique et cognitive dans les conseils d'administration des EF. Pour terminer cette partie, les trois cadres théoriques utilisés sont détaillés: La théorie des échelons supérieurs, la richesse socio-émotionnelle (SEW) et la théorie du voyage mental dans le temps.

## **1. L'état de l'art et les gaps dans la littérature académique**

### **1.1. L'aspect humain de la succession des EF**

Le processus de succession est la clé de voûte de la continuité d'une EF (Umans et al., 2020). Un autre défi pour une transition générationnelle réussie est de choisir le candidat approprié. Nous soutenons que les facteurs les plus pertinents reposent sur ses caractéristiques.

#### **1.1.1. La succession des EF**

La succession est un défi important auquel les EF sont confrontées (Daspit et al., 2016). La majorité des propriétaires des EF préfère le renouvellement des liens familiaux par une succession dynastique (Berrone et al. 2012 ; Lefebvre et Lefebvre, 2016). Ces intentions de succession dynastique sont considérées comme une priorité influençant le comportement des EF, y compris l'exécution du processus de succession lui-même (Berrone et al., 2012).

Dans la littérature, la recherche a établi que la planification de la succession du leadership est un facteur clé dans un processus de succession réussi (Le Breton-Miller et al. 2004 ; Sharma et al. 2001; Marshall et al. 2006 ; Eddleston et Powell, 2008). Même s'il est établi que la succession des EF influence la performance à long terme, de nombreuses EF n'ont pas de plans clairs ni de processus systématiques de mise en œuvre (Fangetal, 2015). En général, moins d'un tiers des EF ont réussi à planifier, à gérer un processus de succession efficace et à réaliser une transition inter-générationnelle, ce qui fait de la planification de la succession et du transfert inter-générationnel l'un des défis les plus importants pour les EF (Mathews et Blumentritt, 2015 ; Le Breton-Miller et al. 2004 ; Lefebvre et Lefebvre 2016).

Par ailleurs, la planification de la succession fait également référence au choix du successeur. La littérature antérieure a observé dans quelle mesure la décision de choisir un successeur est influencée par les attributs de l'héritier potentiel et par les caractéristiques et besoins organisationnels (Basco et Calabrò, 2017). Par conséquent, l'un des facteurs clés pour une transition générationnelle réussie est de choisir le candidat adéquat (Aldamiz-Echevarría, Idígoras, et Vicente-Molina, 2017). Les facteurs les plus influents dans le choix d'un successeur sont la primogéniture, suivie des compétences, de l'expérience dans les affaires (souvent liée à l'âge) et du respect des exigences établies par la famille (Aldamiz-Echevarría, Idígoras, et Vicente-Molina, 2017).

Ainsi, une succession qui découle d'un comportement planifié doit avoir un initiateur qui peut être le dirigeant en place (Bozer, Levin, et Santora, 2017) et le conseil d'administration (Umans et al. 2020).

#### **1.1.2. Les émotions dans les EF**

Examiner la dimension humaine dans les entreprises familiales revient à s'intéresser aux individus qui les composent, à leurs caractéristiques et à leur position au sein de l'unité économique et de la famille. Cette dernière, lieu d'interactions humaines et affectives, est donc au cœur de l'entreprise familiale (Randerson, et Radu-Lefebvre, 2021).

Ainsi, les EF sont depuis longtemps considérées par la littérature comme étant fortement influencées par les émotions du système familial (Labaki, 2019). Ces entreprises comprennent un



système familial qui est au moins partiellement régi par des relations émotionnelles, et une entreprise soumise à la logique économique du marché (Stewart, 2003 ; Cohen et Sharma, 2016). Cependant, une des caractéristiques de l'entreprise familiale est que les émotions existent au sein des deux systèmes que sont la famille et l'entreprise, et qu'elles passent d'un système à l'autre, ayant des répercussions sur les deux (Labaki et al., 2013).

Par conséquent, nous visons à améliorer notre compréhension des émotions et de leur influence sur le processus de planification de la succession, qui reste un domaine de recherche sous-exploré (Brundin et Härtel, 2014 ; Shepherd, 2016).

## **1.2 Rôles et composition du conseil d'administration**

### **1.2.1 Rôles du conseil d'administration**

Le débat sur les fonctions du conseil d'administration met en évidence l'existence de tâches de contrôle, parfois appelées surveillance, et de tâches de service, souvent subdivisées en mise en réseau, avis et conseils (Lohe et Calabrò, 2017 ; Hillman et Dalziel, 2003 ; Johnson, Daily et Ellstrand, 1996 ; Zahra et Pearce, 1989).

Toutefois, plusieurs fonctions supplémentaires du conseil d'administration ont été mentionnées dans la littérature antérieure et sont liées à la spécificité de l'EF, comme la résolution des conflits (Bammens et al., 2011), la planification de la succession (Umans et al., 2020) et l'introduction de la prochaine génération de membres de la famille (Corbetta and Tomaselli, 1996 ; Neubauer and Lank, 1998). Cependant, ces fonctions n'ont fait l'objet que de peu de recherches et d'observations. Sur la base de cette discussion, il est nécessaire d'étudier les rôles supplémentaires des conseils d'administration des EF.

Par ailleurs, lorsque l'on étudie les rôles des conseils d'administration, on ne peut les détacher des individus présents dans le conseil d'administration. Il est donc pertinent d'examiner la composition des conseils d'administration des EF.

### **1.2.1 La composition des conseils d'administration des EF**

Dans la littérature, la composition du conseil d'administration dans les EF a été envisagée en fonction de la proportion d'administrateurs familiaux et d'administrateurs externes d'un côté (Voordeckers et al., 2007) et des administrateurs familiaux qui travaillent ou non dans l'entreprise, de l'autre (Basco et Calabrò, 2017).

Nous voyons de nombreuses raisons de concentrer l'attention sur un ensemble plus large d'aspects associés à la diversité des administrateurs dans les conseils d'administration des EF. Ainsi, nous pensons qu'une compréhension plus approfondie des caractéristiques des administrateurs permettra non seulement de faire avancer le débat actuel, mais aussi de poser de nouveaux défis à l'étude des dimensions de la diversité.

En effet, cette thèse se concentre sur la diversité démographique et cognitive des membres du conseil d'administration avec l'objectif d'examiner l'influence de ces deux types de diversité sur les rôles et sur la succession dans les EF. En conséquence, nous nous attachons à observer comment la

diversité des administrateurs dans les EF de taille moyenne influence leur comportement et influe sur les rôles qu'ils jouent au sein du conseil et au niveau de la succession.

Pour avoir une connaissance approfondie des membres du conseil d'administration, il est nécessaire d'examiner leur dimension humaine.

#### 1.2.1.1 Diversité démographique

Le conseil d'administration d'une EF peut comprendre des administrateurs de nationalité, de genre, et d'âge différents. Selon Barrett et Moores, (2020), la diversité des âges dans le conseil d'administration des EF a des effets positifs. Elle permet l'accès à un plus grand nombre de moyens conduisant à la saisie rapide d'opportunités. Cependant, des conflits liés à la diversité des âges peuvent survenir entre les administrateurs plus âgés et plus jeunes dans la salle du conseil (Barrett et Moores, 2020). Concernant la diversité ethnique, Cox (1996) a constaté qu'elle augmente le nombre d'idées, favorise la créativité et conduit à une innovation accrue. Selon Poletti-Hughes et Martinez Garcia (2020), les avantages économiques de la diversité de genre dans les conseils d'administration ont été mis en évidence et expliqués par les théories de l'agence, de la dépendance des ressources et du capital humain (Hillman, Withers et Collins, 2009).

Ces points de vue sont conformes à l'hypothèse de la " valeur de la diversité " (Cox et al., 1996), selon laquelle la diversité démographique des membres du conseil d'administration devrait fournir un éventail plus large de connaissances, d'informations et de points de vue et devrait conduire à une amélioration de la gouvernance des entreprises.

#### 1.2.1.2 Diversité cognitive

Dans l'ensemble, les recherches montrent que la nomination d'administrateurs issus de différents milieux et bases d'expertise offrent des expériences différentes et peuvent apporter une contribution précieuse à la gouvernance d'une entreprise (Zattoni et Pugliese, 2012 ; Pugliese et Wenstøp, 2007). À la lumière des recherches précédentes, les membres du conseil d'administration issus de la diversité cognitive doivent mettre en avant leurs différents points de vue et idées afin d'exécuter leurs rôles.

Par conséquent, nous soutenons que ces administrateurs diversifiés sur le plan démographique et cognitif favorisent la survie de l'entreprise en fournissant des conseils précieux lorsqu'ils dirigent et orientent le choix du successeur dans l'EF.

### **1.3 Les gaps**

Plusieurs pistes de recherche sur les conseils d'administration des EF ont été identifiées. Les articles constitutifs de cette thèse abordent certaines des lacunes de recherche identifiées, qui peuvent être résumées comme suit :

-Les recherches se sont concentrées sur la composition du conseil d'administration en termes d'administrateurs externes par rapport aux administrateurs familiaux. Notre approche pour comprendre le comportement des administrateurs dépasse cette distinction et explore leurs caractéristiques. Lorsque les rôles des conseils d'administration sont étudiés, ils ne peuvent pas être détachés des individus qui composent le conseil d'administration. Il y a un besoin évident de considérer les caractéristiques des administrateurs familiaux et non familiaux dans le conseil (Barrett et Moores, 2020) parce que les choix sont le résultat de ce collectif d'individus.

-En concordance, la littérature ne creuse pas profondément les expériences de chaque administrateur dans les conseils d'administration des EF. Nous cherchons à examiner si elles influencent le choix du successeur dans les EF étant donné que les expériences, les connaissances et les valeurs des administrateurs façonnent leurs choix (Hambrick, 2007).

- En matière de diversité, lorsque la recherche étudie l'implication active des femmes dans le conseil d'administration de l'EF, les objectifs associés à leur présence doivent également être pris en considération (Chrisman, Sharma, Steier et Chua, 2013) pour avoir une visibilité plus claire sur ce qu'elles veulent réaliser en intégrant ces conseils. Selon Campopiano (2017), il y a un manque d'études sur le lien réciproque entre les objectifs de l'EF (Gagné, De Massis, et Sharma, 2014) et l'implication des femmes dans les EF. Par conséquent, nous cherchons à comprendre l'implication des femmes dans le conseil d'administration des EF, en mettant l'accent sur leurs objectifs.

-Notre recherche souligne l'importance des caractéristiques humaines dans les EF. L'émotion est importante pour comprendre les décisions et les actions des membres de la famille ( Harrell, 1997 ; Zellweger et Dehlen, 2012 ; Kellermanns et al ., 2012 ). Cependant, les émotions dans la succession familiale ont été peu étudiées empiriquement dans la littérature académique (Radu-Lefebvre et Randerson, 2020). Par conséquent, pour mieux comprendre le choix du successeur dans une EF, une autre voie de recherche serait d'étudier les émotions des cédants.

## **2. Les cadres théoriques**

Nous avons utilisé trois cadres théoriques dans cette thèse : La théorie des échelons supérieurs, la théorie du voyage mental et la théorie de la richesse socio-émotionnelle. Nous allons expliquer ces théories et justifier pourquoi elles sont adaptées à notre recherche.

### **2.1. La théorie des échelons supérieurs**

La théorie des échelons supérieurs (Hambrick et Mason, 1984, p. 193) repose sur le fait que "les résultats organisationnels, les choix stratégiques et les niveaux de performance sont partiellement prédits par les caractéristiques de l'environnement managérial". Cette théorie comporte deux parties interconnectées : " (1) les cadres agissent sur la base de leurs interprétations personnalisées des situations stratégiques auxquelles ils sont confrontés et (2) ces interprétations personnalisées sont faites en fonction des expériences, des valeurs et des personnalités des cadres " (p. 334). Cette théorie nous permet de nous concentrer sur les caractéristiques des administrateurs du conseil d'administration afin d'obtenir une meilleure compréhension des rôles qu'ils jouent dans cet organe de gouvernance (Bromiley et al., 2016). Nous souhaitons vérifier que les rôles d'un conseil d'administration dépendent, au moins en partie, de la composition du conseil et, en particulier, des caractéristiques des administrateurs.

L'idée est de démontrer que "ce que je suis influence ce que je fais". Nous explorons la relation dynamique entre le comportement des administrateurs et la gouvernance de l'entreprise pour découvrir comment la mise en œuvre des mécanismes de gouvernance est affectée par le comportement des administrateurs qui, à son tour, est influencé par leurs caractéristiques individuelles.

## 2.2. La théorie du voyage temporel mental

Une capacité remarquable de l'esprit humain est de pouvoir se détacher temporairement du présent immédiat pour voyager mentalement dans le passé ou le futur (Ernst, 2019). Cette capacité, connue sous le nom de voyage mental dans le temps, combine les concepts de mémoire autobiographique et de pensée future, qui nous permettent de revivre mentalement ou de pré-expérimenter des événements personnels passés ou futurs lorsqu'ils sont évoqués (Ernst, 2019). La mémoire est donc une sorte de réservoir où sont stockées des informations qui peuvent être réutilisées pour former de nouvelles représentations futures (Addis, 2018 ; Schacter, Addis, Hassabis, Martin, Spreng et Szpunar, 2012 ; Suddendorf, Addis et Corballis, 2009).

Plusieurs lacunes dans les connaissances relatives aux expériences des membres de la famille ont été partiellement comblées par des revues de littérature récentes (De Massis et al., 2021), bien que certaines questions importantes restent à aborder, notamment le lien réciproque entre les expériences des administrateurs et le choix du successeur dans les EF.

Nous utilisons donc la théorie du voyage mental pour analyser l'impact des expériences antérieures des administrateurs sur le choix du successeur. Le cœur de l'approche du voyage mental est que la prise de décision dans les EF est déterminée par les expériences passées des administrateurs. Nous nous interrogeons sur leurs expériences passées et leur influence sur le choix du successeur.

## 2.3 La théorie de la richesse socio-émotionnelle (SEW)

La SEW fait référence aux "aspects non financiers de l'entreprise qui répondent aux besoins affectifs de la famille" (Gómez-Mejía et al., 2007, p. 106). Le cœur de l'approche de la SEW est que la prise de décision dans les EF est avant tout guidée par des aspects non économiques qui répondent aux besoins affectifs de la famille (Hauck et Prügl, 2016).

La SEW est considérée comme un concept multidimensionnel (Berrone et al., 2012). Cinq dimensions peuvent être reconnues ; elles sont regroupées sous l'abréviation FIBER. Le contrôle et l'influence de la famille (F) est l'une des principales caractéristiques qui distinguent les EF des autres (Berrone et al., 2012). L'identification des membres de la famille avec l'entreprise (I) est un résultat possible du lien étroit entre la famille et l'entreprise (Berrone et al., 2012). Les liens sociaux (B) font référence aux relations sociales des entreprises avec les différentes parties prenantes (Berrone et al., 2012). L'attachement émotionnel des membres de la famille (E) concerne le rôle des émotions dans le contexte de l'EF. Le renouvellement des liens familiaux avec l'entreprise par la succession dynastique (R) est lié à la vision à long terme du maintien de l'entreprise sous le contrôle de la famille dans les générations futures (Berrone et al., 2012).

Cette littérature s'est largement concentrée sur l'identification des motivations et des préférences des EF en matière de succession intra-familiale. En s'appuyant sur la théorie de la SEW, notre thèse examine comment les objectifs des femmes dans les conseils d'administration influencent la succession et comment cette relation est modérée par deux dimensions de la SEW : les liens sociaux car il est important pour l'EF de construire et de préserver des relations fortes avec toutes les parties prenantes (B) ; et le renouvellement des liens familiaux avec l'entreprise à travers la succession dynastique, étant donné l'importance de la perpétuation de la dynastie familiale (R).

Après avoir discuté les cadres théoriques de la thèse, nous présentons notre méthodologie.

## **Chapitre 2: Méthodologie**

### 2.1. L'expérience du chercheur

Avant de présenter la méthodologie suivie dans ce travail de recherche, il est important de préciser que les valeurs du chercheur peuvent influencer la façon dont il interprète les données et les résultats (Saunders, Lewis et Thornhill, 2009). Il est pertinent de mentionner l'implication de l'intuition (Kump, 2021) et de reconnaître le rôle de l'expérience et de l'intuition du chercheur dans le processus de recherche (Fendt et Sachs, 2008). Je reconnais que mes expériences et mes valeurs ont guidé ma recherche. J'ai essayé de prouver d'une certaine manière que "ce que je suis influence ce que je fais" et je voudrais présenter la source de mon inspiration. Je suis née au Liban et j'ai vécu la guerre civile libanaise qui a meurtri le pays de 1975 à 1990 et les crises qui ont suivi. Ce que je fais aujourd'hui est inspiré par ce que je suis. Les vingt-sept années que j'ai passées au Liban ont influencé ma façon d'être.

### 2.2. Stratégie de recherche

En ce qui concerne la stratégie de recherche, les méthodes qualitatives sont plus adaptées à la diversité humaine dans les EF et à la complexité qui caractérise les EF. Nous avons choisi l'approche qualitative exploratoire car nous avons décidé d'entrer en contact avec les acteurs de l'EF et de construire une approche théorique à partir de ce contact. La recherche exploratoire est motivée par les lacunes susmentionnées de la littérature. Les recherches antérieures se sont concentrées sur la composition du conseil d'administration. Cependant, la littérature existante ne répond pas au problème de manière assez précise car elle ne permet pas de comprendre en profondeur les caractéristiques de chaque membre du conseil d'administration et leur impact pour l'EF. Kammerlander et De Massis (2020) ont décrit les avantages des méthodes qualitatives dans la recherche sur les EF. Les EF présentent un contexte riche et intéressant pour étudier les processus et les mécanismes de manière qualitative (Fletcher et al., 2016). L'utilisation de méthodes de recherche qualitatives permet d'obtenir des connaissances pertinentes sur des processus jusqu'ici non étudiés (Kammerlander, De Massis, 2020).

### 2.3. Approche de la recherche

La stratégie de recherche doit être complétée par l'approche de recherche. En effet, la preuve scientifique est essentiellement constituée d'un sens partagé qui naît de la confrontation de ce que nous appelons "réalité" avec un certain nombre de références servant de projet de décodage (Mucchielli, 1995). L'un des principaux référents constituant cette appréhension de la 'réalité' en vue de la transformer en 'représentation scientifique' est ce que l'on appelle le 'paradigme'. En effet, cette thèse adopte une approche pragmatiste quant à sa démarche de recherche. Ce faisant, elle n'utilise pas un paradigme unique pour l'ensemble de la thèse ; elle reconnaît plutôt que les trois traditions peuvent fournir des outils utiles pour la recherche (Johnson, Onwuegbuzie, and Turner, 2007).

### 2.4. Modes de raisonnement

Le mode de raisonnement dépend d'abord de la question de recherche et ensuite de la manière dont nous répondons à cette question de recherche. Si nous commençons par la théorie, puis collectons et

analysons les données pour créer un modèle, nous suivons un mode de raisonnement déductif. Si nous partons des données pour élaborer une théorie, nous suivons un mode de raisonnement inductif. Lorsque nous explorons un contexte complexe, avec diverses observations à première vue surprenantes, nous essayons de structurer ces observations pour produire du sens afin de proposer des conceptualisations théoriques nouvelles et valides, nous procédons par abduction (Thornberg, 2012).

Par conséquent, nous n'utilisons pas un mode de raisonnement unique dans tous nos articles. Il diffère selon les questions de recherche auxquelles nous avons répondu.

## 2.5. La méthode de l'étude de cas

A ce stade, il est pertinent de décrire notre méthode de recherche : l'étude de cas qui est largement reconnue dans de nombreuses études en sciences sociales, notamment lorsque des explications approfondies d'un comportement social sont recherchées (Zainal, 2007). Sous l'égide des méthodes qualitatives, nous soutenons que l'étude de cas est plus apte à saisir la complexité et la dynamique spécifiques aux entreprises familiales.

L'échantillon final se compose de dix cas d'EF de taille moyenne et est conforme à l'échelle de quatre à dix cas proposée par la méthodologie des études de cas (Eisenhardt, 1989), considérée comme appropriée pour atteindre la saturation théorique (Eisenhardt, 1989).

### 2.1.2 Sélection des cas

Nous avons sélectionné nos cas à partir des critères suivants :

-La taille de la FF: Nous avons choisi des EF de taille intermédiaire en raison du manque de littérature relative à cette catégorie d'EF (Gabrielsson et Huse, 2005).

-L'existence d'un conseil d'administration: Nous souhaitons trouver des EF ayant une structure juridique avec un conseil d'administration.

-Diversité des administrateurs: en termes démographique (âge, genre, nationalité) et cognitif (niveau d'études, expériences professionnelles et personnelles) dans les conseils d'administration d'EF.

-Processus de succession: L'EF préparait ou réfléchissait au processus de succession et/ou essayait de choisir un successeur.

### 2.1.3 Collecte des données

La principale source d'information pour réaliser les études de cas a été collectée par le biais d'entretiens. En raison du Covid 19, nous n'avons pas pu faire d'observations physiques : nous n'avons pas pu visiter les EF, les entretiens ont été réalisés par téléphone ou par zoom, ; les données secondaires ont été recueillies sur les sites internet des EF.

La première étape de notre collecte de données, a été de compiler le plus d'informations possible sur les EF intéressées par notre projet de recherche. Nous avons recherché leur sites internet, et les articles de journaux sur les événements liés à ces EF, afin de cerner et connaître leurs activités et

actualités. La deuxième étape a consisté à collecter des données via des entretiens. Les entretiens, ont été enregistrés et retranscrits.

Nous avons utilisé un guide d'entretien pour nous assurer que tous les éléments du cadre conceptuel étaient couverts. Le guide d'entretien est composé de cinq parties : (1) des questions générales sur l'entreprise, son histoire, le nombre de générations, les actionnaires, la gouvernance et la composition du conseil d'administration ; (2) des questions spécifiques sur le conseil d'administration, ses discussions et ses décisions ; (3) des questions spécifiques sur la personnalité et le comportement de chaque administrateur, tels qu'ils sont perçus par les autres administrateurs ; (4) des questions permettant aux administrateurs de se présenter, qui portent sur l'âge, les expériences professionnelles et personnelles, les motivations, les décisions, les choix, les intérêts et le comportement ; et (5) des questions portant sur les émotions ressenties par les administrateurs pendant les réunions du conseil, y compris la manière dont elles sont gérées et l'influence qu'elles exercent.

Nous avons ensuite codé les données contenues dans les retranscriptions selon des catégories inspirées de l'analyse de la littérature. Nous avons compilé ces catégories en fonction de variables clés afin de faciliter l'interprétation des résultats. Au total, vingt-trois entretiens semi-structurés ont été réalisés.

Dans les articles 1, 2 et 3, nous avons construit une structure de données pour organiser nos résultats. Nous avons commencé par identifier les termes et concepts récurrents des interviewés afin de construire des catégories de premier ordre. Dans l'analyse de 1er ordre, nous avons créé des catégories. Dans l'analyse de 2ème ordre, nous nous sommes demandés si les thèmes émergents suggéraient des concepts qui pourraient nous aider à décrire et expliquer les phénomènes que nous observons. Une fois que les thèmes et les concepts ont été identifiés, nous avons cherché à savoir s'il était possible d'aller plus loin avec les thèmes de 2e ordre dans des dimensions agrégées. C'est ainsi que nous avons construit nos structures de données qui montrent une représentation graphique de la façon dont nous sommes passés des données des entretiens aux concepts et aux thèmes en effectuant les analyses, (Pratt, 2008 ; Tracy, 2010; Corley and Gioia, 2011).

## **Chapitre 3: Résultats et discussion**

### **3.1Présentation des articles/chapitres**

Cette partie commence par un résumé de chaque article de la thèse et se poursuit par la présentation de ses objectifs et de sa méthodologie et se termine par la discussion de ses contributions.

#### **3.1.1 Who I am affects what I do: How does diversity among the directors of medium-sized family firms influence board roles?**

**International Journal of Entrepreneurship and Small Business Special Issue on: "Business Transfers: An Opportunity for Dialogue between Entrepreneurship and Family Business Research ».**  
**[HCERES 2020 : C / FNEGE 2019 : 4] 3ème tour de révision.**

Nous avons démontré dans cet article "comment la diversité démographique et cognitive affecte le comportement des administrateurs et comment elle influence leurs rôles dans le conseil". On

s'attend à ce que les administrateurs diversifiés exercent différemment leurs rôles de surveillance et de conseil, qui incluent la planification de la succession, de sorte que le degré de différenciation des membres du conseil affecte la gouvernance des entreprises. Nous concevons le conseil d'administration dans les entreprises familiales comme influencé par la diversité démographique (âge, sexe et nationalité) et cognitive (niveau d'éducation, expériences professionnelles et personnelles) des administrateurs. Ces diversités impactent leur comportement et affectent leur rôles dans le conseil. Sur la base de ces observations, les objectifs de cette étude sont d'étudier comment comprendre l'influence de la diversité des administrateurs dans les conseils d'administration des EF de taille moyenne lors de l'exercice de leurs rôles. La diversité affirme l'existence de différentes caractéristiques et expériences qui reflètent une variété d'individus. Notre objectif est d'observer l'intersection et l'intégration de la diversité des administrateurs dans les conseils d'administration des EF afin d'offrir une image plus complète du fonctionnement d'individus démographiquement et cognitivement divers. Nous appliquons la théorie des échelons supérieurs (Hambrick and Mason, 1984) à six études de cas d'EF pour mettre en évidence le rôle des administrateurs en tant qu'apporteurs de ressources pour les EF, en utilisant leurs expériences et leur jugement personnels, leur réseau externe et leur accès à l'information. Quant à leurs fonctions dans le conseil d'administration, nos résultats suggèrent que les administrateurs jouent trois rôles : le rôle de conseiller ainsi que deux autres rôles : Donner la priorité aux valeurs de l'EF et assurer l'équilibre de l'EF.

Nous pensons que notre recherche pourrait avoir des implications pratiques pour la nomination des administrateurs aux conseils d'administration des EF. Lors de ces nominations, nous pouvons identifier l'importance des caractéristiques démographiques et cognitives des administrateurs et leur contribution au fonctionnement du conseil et à la qualité du débat sur les questions de gouvernance.

En outre, la gouvernance évolue dans les EF. Nous pensons que cette évolution aidera les EF à anticiper, préparer, planifier et gérer la succession pour assurer la continuité de l'entreprise. Elle nous permettra de comprendre comment les décisions sont prises en considérant les émotions et le comportement des acteurs impliqués dans le processus.

Enfin, cette étude apporte une contribution au débat académique sur la gouvernance des EF, un domaine qui nécessite des recherches supplémentaires.

### 3.1.2 The choice of successor in family businesses: the influence of directors' past experiences. En voie d'être soumis à Management International [HCERES 2020 : A / FNEGE 2019 : 2].

Nous avons examiné " comment les expériences passées des administrateurs influencent le choix du successeur au sein de l'EF ", étant donné que les expériences, les connaissances et les valeurs des administrateurs façonnent leurs choix. Reconnaisant le rôle central du conseil d'administration dans la planification et la gestion de la succession, nous soutenons que les expériences personnelles et professionnelles antérieures des administrateurs dans le conseil d'administration des EF est susceptible d'influencer le choix des successeurs. En nous appuyant sur la théorie du voyage mental dans le temps, notre objectif est d'étudier et expliquer les choix des administrateurs car ils utilisent leurs expériences antérieures pour construire de nouvelles options et développer de nouveaux choix. Nous démontrons que leurs expériences passées façonnent la perception que chaque directeur a du successeur et conduisent au choix de ce dernier. Guidées par la question de recherche, nos données, basées sur six études de cas d'EF, démontrent que les expériences passées des administrateurs dans les conseils d'administration des EF conduisent à définir trois critères auxquels le successeur doit



répondre : 1- Préserver les valeurs de l'EF, assurer la continuité et la succession de l'EF, 2- Avoir une expérience professionnelle et une expertise avant d'entrer dans l'EF et 3- Avoir une forte capacité à mobiliser, à faire évoluer l'EF et à la diriger.

Nos résultats offrent une analyse approfondie des expériences passées des administrateurs dans les conseils d'administration des EF. Ils suggèrent l'influence de différents types d'expériences sur les décisions dans les conseils d'administration des EF et leur contribution au choix du successeur. Par conséquent, nous avons essayé de mettre en évidence leurs caractéristiques cognitives et leur contribution à leur fonction dans le conseil d'administration et notamment au choix du successeur. Cet article visait à contribuer à la recherche sur la gouvernance des EF en mettant l'humain et ses caractéristiques au centre de cette recherche.

En outre, notre objectif est de contribuer à la discussion sur la pertinence des approches interdisciplinaires en nous concentrant sur l'adéquation du domaine des neurosciences et en particulier du voyage mental dans le temps pour comprendre les décisions des administrateurs.

### 3.1.3 Women's involvement in the boards of directors of family firms through the lens of socio-emotional wealth.

Revue de l'Entrepreneuriat. Special Issue: Innovation in Family Firms: responses to recent developments. [HCERES 2020 : A / FNEGE 2019 : 2] 2ème tour de révision.

Nous examinons " Comment les objectifs des femmes influencent la succession dans les EF ». L'analyse de la littérature existante met en évidence un manque d'études sur le lien réciproque entre les objectifs non financiers de l'entreprise familiale et l'implication des femmes dans les entreprises familiales. Nous répondons à cette question à travers le prisme théorique de la richesse socio-émotionnelle (SEW) pour examiner comment les objectifs des femmes influencent la succession et comment cette relation est modérée par deux dimensions de la richesse socio-émotionnelle : les liens sociaux (B) et le renouvellement des liens familiaux avec l'entreprise par la succession dynastique (R). Guidées par la question de recherche, nos données basées sur six études de cas d'EF, réunissent trois catégories d'objectifs poursuivis par les femmes dans les conseils d'administration. Trois dimensions de l'échelle FIBER (Berrone et al., 2012) sont reconnues dans nos données : les liens sociaux (B), l'attachement émotionnel des membres de la famille (E) et le renouvellement des liens familiaux avec l'entreprise par la succession dynastique (R). Ainsi, nous proposons l'existence d'une forme courte de l'échelle FIBER, que nous appelons l'échelle BER. Nous abordons le besoin de validation de cette échelle et suggérons de faire progresser le concept de la SEW sur la base de nos données empiriques. Nous contribuons ainsi au développement de ce concept très important et puissant dans la recherche sur les EF. En utilisant une forme courte de l'échelle FIBER, nous pouvons déterminer l'impact de la présence de femmes dans les conseils d'administration d'EF sur la SEW, un concept clé de la recherche sur les EF, et ainsi quantifier les contributions de la diversité de genre dans les EF.

### 3.1.4 Emotions in Family Business Succession/ Chapter in Deschamps B. et al., Business Transfers, Family Firms and Entrepreneurship, Routledge, Taylor and Francis, 39 à 51.

Nous soutenons que la succession d'une entreprise familiale est un processus influencé par les émotions, et nous démontrons "comment les émotions influencent le raisonnement des successeurs lors de la préparation de la planification de la succession et du choix d'un successeur". Nous

présentons la succession à travers les émotions. Cette idée ouvre la voie à une compréhension supplémentaire de la succession dans les entreprises familiales. Les émotions n'ont pas été étudiées de manière approfondie dans la littérature sur la succession des entreprises familiales, même si le comportement humain dépend de l'expérience émotionnelle (Radu-Lefebvre et Randerson, 2020). Par conséquent, les émotions affectent les processus organisationnels, les décisions et les résultats (Duh, Tominc et Rebernik, 2009 ; Van der Merwe, Venter et Ellis, 2009). La capacité de prendre en compte les sentiments, les décisions et le comportement de nombreux acteurs à la fois crée un potentiel pour une avancée significative dans l'étude de la succession des entreprises familiales. Nous validons empiriquement l'influence des émotions du prédécesseur lors du choix du successeur en utilisant deux courtes études de cas.

Ce chapitre a plusieurs objectifs. Le premier est de penser différemment la succession des EF en valorisant l'influence des émotions sur le processus de planification de la succession, ce qui constitue un défi majeur dans la recherche sur les EF. Le deuxième est de souligner que les émotions ont un résultat différent sur le processus de planification de la succession. La troisième est d'explorer la succession à travers les émotions ressenties par le prédécesseur lors du choix de son successeur. Il y a également des implications pour les propriétaires d'EF. En effet, les émotions influencent le raisonnement des cédants. Notre objectif est de les sensibiliser à leurs émotions, ce qui pourrait les aider à mieux les contrôler et à préparer la succession.

En termes d'implications pour la recherche, nous pensons que notre travail propose un nouvel angle qui mérite d'être approfondi: les émotions du cédant au moment de choisir un successeur.

En ce qui concerne les contributions managériales, nous soulignons la nécessité pour les cédants et les successeurs familiaux de disposer de conseillers de confiance pour les accompagner dans le processus de succession afin que les émotions ne constituent pas un obstacle à l'action.

### 3.1.5 Une succession familiale, que d'émotions!

Entreprendre and Innover 2020/1 (n° 44), EF et succession : défis et solutions. [HCERES 2020 : C / FNEGE 2019 : 4]

L'aspect émotionnel est omniprésent dans l'EF. Il dicte son mode de fonctionnement, autant que son évolution dans le temps. Alors en quoi les émotions peuvent-elles nous permettre de mieux comprendre le processus de succession dans les EF ? Les recherches académiques ont pourtant peu examiné de manière empirique les émotions dans le cadre de la succession, notamment celle ressenties par le prédécesseur lors du choix de son successeur. À travers l'examen de deux cas de succession, cet article souhaite apporter un premier éclairage sur les émotions ressenties par le cédant au moment de cette importante prise de décision. Nous mettons en évidence les émotions ressenties et montrons comment elles influencent le comportement et les décisions du prédécesseur. Les émotions des deux prédécesseurs constituent un moteur puissant mais elles ont été aussi un frein. En effet, elles ont bloqué les prédécesseurs, ont provoqué des effets indésirables et les ont empêché d'agir pour mettre en place la succession. Enfin, nous soulignons l'importance de l'accompagnement des cédants familiaux lors de la succession, afin de leur permettre de mieux gérer leurs émotions pour qu'elles ne soient pas un frein à l'action.

Quant aux implications managériales, nous recommandons aux cédants de se faire accompagner dans la durée. Pour réussir sa mission, l'accompagnateur doit donc avoir une bonne maîtrise des historiques professionnel et personnel du dirigeant en place.

Cet article a essayé, par le biais des émotions, d'éclairer sous un angle nouveau la succession et sa préparation.

### **3.2. Discussion**

A travers nos articles et notre chapitre, nous répondons aux questions de recherche secondaires susmentionnées. Ces réponses nous permettent d'apporter une réponse à la question de recherche principale : Comment la composition du conseil d'administration dans les EF influence la succession ?

Nous avons précédemment expliqué notre perception de la composition du conseil d'administration. Nous soutenons dans cette thèse qu'il est pertinent d'aller au-delà de la distinction entre les administrateurs familiaux et non familiaux dans le conseil d'administration et de creuser plus profondément dans les caractéristiques de chaque personne dans le conseil. Nous prouvons comment la richesse de ces individus peut être bénéfique à l'EF et peut garantir sa continuité à travers la succession et le choix du successeur. Il est donc pertinent de montrer dans ce qui suit comment nous avons établi le lien entre la composition du conseil d'administration et la succession afin de répondre à notre principale question de recherche.

#### Lien par la réponse à nos quatre questions secondaires

En fait, ce lien a été établi par la réponse à nos quatre questions secondaires :

- La relation entre la diversité démographique et cognitive des administrateurs et les rôles qu'ils jouent dans le conseil.
- La relation entre les expériences des administrateurs et le choix du successeur.
- La relation entre l'implication des femmes dans le conseil d'administration et la succession.
- La relation entre les émotions du prédécesseur et le choix du successeur.

#### - La relation entre la diversité démographique et cognitive des administrateurs et les rôles qu'ils jouent dans la salle du conseil.

L'utilisation de la théorie de l'échelon supérieur pour explorer la relation entre les caractéristiques des administrateurs, leur comportement et les rôles qu'ils jouent dans les conseils d'administration des EF offre une autre perspective pour comprendre la complexité qui sous-tend la gouvernance des EF. Ces caractéristiques seront utilisées par le conseil d'administration pour assumer sa fonction de gouvernance, ce qui signifie que la composition du conseil, avec sa variété d'attributs, de caractéristiques et d'expertise, affecte les rôles joués par le conseil.

Par conséquent, leur comportement est corrélé à leur diversité démographique et cognitive. Nous soutenons qu'il provient de leur identité (qui sont-ils) mais qu'il est également façonné par les situations auxquelles les administrateurs ont été confrontés dans le passé et auxquelles ils font face dans le présent. En mettant en évidence la diversité démographique et cognitive des réalisateurs, nous avons observé que leur comportement est influencé par ce qu'ils sont.

Plus spécifiquement, nous avons cherché à exposer comment la diversité du conseil d'administration a un effet positif direct sur les rôles de conseil et de contrôle, ainsi que comment les relations diversité-conseil et diversité-contrôle sont avantageuses en raison des diverses perspectives et alternatives qui peuvent être générées par des administrateurs diversifiés. La réponse a été donnée

par nos résultats. En effet, les administrateurs jouent trois rôles : le rôle de conseiller ainsi que deux autres rôles : Donner la priorité aux valeurs de l'EF et fournir un équilibre à l'EF. Lorsqu'un administrateur dans le conseil "donne la priorité à la valeur de l'EF", il essaie de maintenir un équilibre entre les objectifs de l'entreprise et les objectifs familiaux. Il essaie de maintenir les valeurs familiales et de préserver le patrimoine familial. Lorsqu'un administrateur "fournit un équilibre à la famille", il essaie d'éviter les conflits au sein de l'entreprise et de la famille, il aide à la gestion et utilise ses capacités personnelles pour trouver un terrain d'entente afin de résoudre les conflits.

En outre, nous avons observé que lorsque les administrateurs exercent leur rôle, ils sont influencés par leurs caractéristiques démographiques et leurs expériences personnelles et professionnelles passées. Par conséquent, les caractéristiques démographiques des administrateurs peuvent influencer leurs activités car ces rôles pourraient être affectés par le capital humain des administrateurs d'âges, de genre et de nationalités différents. La diversité cognitive pourrait générer diverses perspectives, engendrer des alternatives bien pensées et, en fin de compte, conduire à de meilleures décisions et donner lieu à une meilleure planification de la succession. Malheureusement, les tâches de surveillance et de contrôle n'étaient pas observables dans notre échantillon. Cela est dû au pouvoir et au contrôle des membres de la famille dans les conseils d'administration. Par conséquent, nous identifions la diversité comme un facteur d'incitation et d'attraction qui influence le comportement et les rôles des administrateurs.

Nos données indiquent le rôle joué par le conseil d'administration dans la préparation de la succession, qui est le résultat des incitations d'un ou plusieurs administrateurs du conseil qui font comprendre au PDG qu'il ne peut pas continuer éternellement dans ce rôle.

Les administrateurs participent également à l'encadrement et au mentorat des membres de la famille qui ont rejoint l'entreprise et qui pourraient aspirer à devenir de futurs successeurs.

Dans le premier article, nous avons souligné l'importance de la diversité (démographique et cognitive) des administrateurs, qui doit être un reflet pertinent de ce qu'ils sont. Ensuite, nous avons tenté d'établir le lien réciproque entre la diversité des administrateurs et les rôles qu'ils jouent dans le conseil d'administration des EF. Ainsi, la relation entre la diversité des administrateurs et leurs rôles, la succession étant incluse dans leurs rôles, nous amène à répondre à notre question de recherche. Par conséquent, les caractéristiques humaines des administrateurs dans les conseils d'administration des EF influencent leurs rôles.

#### -La relation entre les expériences des administrateurs et le choix du successeur.

Un conseil d'administration bien constitué, travaillant en partenariat avec les propriétaires et les cadres supérieurs, est d'une valeur inestimable pour faire croître le patrimoine familial et façonner l'avenir d'une EF multi-générationnelle. Cette idée nous amène à discuter de la succession dans les EF telle qu'elle est envisagée dans notre thèse.

Nous avons voulu mettre en évidence comment les expériences passées permettent aux administrateurs du conseil d'administration dans les EF de simuler l'avenir et notamment d'assurer la continuité de l'EF en choisissant un successeur. Ils essaient de préparer l'avenir en relisant leurs expériences de vie afin d'éviter de commettre les mêmes erreurs. Selon la théorie du voyage mental, la mémoire est la capacité à retenir des informations et à les retrouver malgré un décalage temporel entre l'enregistrement et la récupération (Addis et al., 2007).

Quant au choix du successeur, nous avons pu montrer que les expériences passées des administrateurs dans les conseils d'administration des EF conduisent à fixer trois critères que le successeur devrait remplir : 1- Préserver les valeurs du EF, assurer la continuité et la succession du EF, 2- avoir une expérience et une expertise professionnelle avant d'entrer dans l'EF et 3- bénéficier d'une forte capacité à mobiliser, à faire évoluer l'EF et à diriger.

Nous apportons un éclairage nouveau sur la diversité des administrateurs dans les conseils d'administration des EF. Notre recherche suggère l'influence de différents types d'expériences sur les décisions dans les conseils d'administration des EF et leur impact sur le choix du successeur. Cette relation entre le conseil d'administration et la succession a déjà été établie dans des études antérieures (Motwani et al. 2006 ; Blumentritt 2006). Cependant, notre contribution réside dans l'utilisation de leurs expériences antérieures pour influencer un résultat spécifique qui est le choix du successeur. L'expérience passée est souvent présentée par nos interlocuteurs comme une justification de ce qu'ils sont et comment et pourquoi ils ont fait ce choix. Les expériences passées, tant personnelles que professionnelles, leur fournissent les informations nécessaires à la prise de décision future.

Dans le deuxième article, nous avons souligné l'importance et la complexité des expériences passées des directeurs, qui sont une caractéristique importante de ce qu'ils sont. Ensuite, nous avons essayé d'établir le lien réciproque entre les expériences des administrateurs et le choix du successeur dans les EF à travers la théorie du voyage mental. Ainsi, la relation entre les expériences passées des administrateurs et la succession, nous amène à répondre à notre question de recherche. Par conséquent, les caractéristiques humaines des administrateurs dans les conseils d'administration des EF influencent la succession.

#### -La relation entre l'implication des femmes dans les conseils d'administration et la succession.

Un autre aspect de la diversité a été étudié dans la thèse. Nous avons souligné l'importance de la présence des femmes dans les conseils d'administration des EF et mis en évidence leurs objectifs. Nous souhaitons soulever un débat intéressant sur leurs objectifs non économiques/non financiers tels que : les liens sociaux (B) ; l'attachement émotionnel des membres de la famille (E) ; et le renouvellement des liens familiaux avec l'entreprise par la succession dynastique (R).

Nos résultats soulignent l'importance de la présence des femmes dans les conseils d'administration des EF et en dehors de l'entreprise (mais dans la famille) et mettent en évidence leurs objectifs. Les femmes sont conscientes de leur rôle et de leur mission et ne sous-estiment pas leurs contributions, reconnaissant leurs propres moyens d'exercer une influence (Sentuti et al., 2019). Elles veulent maintenir la paix et l'harmonie dans la famille et dans l'entreprise en éloignant l'incertitude, en jouant un rôle de médiateur, en éliminant la peur et en évitant les conflits (Sentuti et al., 2019).

De plus, nous proposons de créer un nouvel outil pour identifier l'influence des femmes dans les conseils d'administration des EF sur la SEW. Nous suggérons une échelle multidimensionnelle, qui permettrait de quantifier les contributions de la diversité de genre dans les EF.

Par ailleurs, plusieurs chercheurs ont observé une vision optimiste de l'implication des femmes dans les EF (Campopiano et al., 2017, Sentuti et al., 2019). Des études suggèrent qu'elles jouent souvent un rôle crucial dans les FF, notamment dans les processus de succession (Barrett et Moores, 2009b). Nos résultats confirment ces conclusions.

Dans le troisième article, les femmes, qu'elles soient ou non membres de la famille, ont des objectifs alignés sur les intérêts et la pérennité de l'EF et alignés sur leur identité individuelle (qui elles sont). En outre, elles formulent des objectifs conformes à leurs caractéristiques personnelles et professionnelles. Ces caractéristiques qu'elles possèdent ont probablement été la source des objectifs qu'elles cherchent à atteindre. Elles sont liés d'une certaine manière à ces facteurs clés qui les motivent. Elles sont cohérentes avec leurs valeurs, leurs émotions et leurs priorités. Ainsi, la relation entre l'implication des femmes dans les conseils d'administration, leurs caractéristiques, l'identification de leurs objectifs et la succession, nous amène à répondre à notre question de recherche. Par conséquent, les caractéristiques humaines des femmes dans les conseils d'administration des EF influencent la succession.

#### -La relation entre les émotions du cédant et le choix du successeur.

Dans notre thèse, nous voulons proposer que la succession des EF est un processus influencé par les émotions, ce qui peut affecter le choix du successeur. Nous soutenons que ces émotions influencent grandement le raisonnement des cédants. Dans les cas que nous avons étudiés, les émotions se sont manifestées lors du choix d'un successeur potentiel. En effet, elles bloquent les cédants, provoquent des résultats indésirables et les empêchent d'agir pour mettre en place le processus de succession. En effet, la crainte que le successeur ne soit pas à la hauteur les a empêchés de transmettre leur entreprise, malgré l'urgence et la nécessité de le faire. A l'inverse, avoir réussi à convaincre un descendant de reprendre l'entreprise procure une grande satisfaction, voire de l'enthousiasme. Les émotions positives peuvent stimuler, permettant au cédant d'être optimiste quant à l'avenir de l'entreprise. Être attentif à ses émotions, à ses sentiments, et mettre en mots l'intensité de l'émotion développe la conscience émotionnelle et aide à mieux se comprendre et à mieux comprendre l'autre.

En outre, la succession exige une anticipation minutieuse, de la rigueur et de l'expertise. C'est pourquoi nous encourageons les cédants d'être soutenus tout au long du processus de succession par un conseiller. Pour réussir sa mission, le conseiller doit avoir une bonne connaissance de l'histoire professionnelle et personnelle du cédant.

Dans le quatrième article, nous avons voulu comprendre le rôle que peuvent jouer les émotions dans la planification de la succession d'une EF. Nous souhaitons mettre en lumière les émotions ressenties par le prédécesseur lors de la prise de décision concernant le choix de son successeur et examiner l'influence de ces émotions sur le comportement et les décisions du prédécesseur lui-même. La relation que nous avons établie entre les émotions du prédécesseur et le choix du successeur nous amène à répondre à notre question de recherche. Ainsi, la caractéristique humaine de l'émotion influence la succession.

Notre travail suggère de définir la composition du conseil d'administration dans les EF comme suit :

- La composition du conseil d'administration des EF va au-delà de la distinction entre les membres externes et internes.
- La composition du conseil est le reflet de la diversité des membres de ce conseil et de leurs caractéristiques humaines.
- La composition du conseil ne peut pas être traitée séparément des fonctions et des domaines du conseil, car elle interagit avec ces facteurs.

-La composition du conseil influence la détermination des objectifs de l'entreprise familiale, notamment pour assurer la succession.

-La composition du conseil utilise la diversité et les caractéristiques humaines des administrateurs, notamment l'âge, le sexe, l'origine ethnique, l'indépendance, l'expérience professionnelle, les connaissances, les compétences et l'expertise techniques, l'expérience commerciale et industrielle, l'expérience de carrière et de vie, ainsi que les émotions, afin d'atteindre ces objectifs et choisir un successeur.

-La composition du conseil influence la succession.

## **Conclusion**

L'objectif de cette thèse était d'explorer le conseil d'administration dans les EF afin de développer notre compréhension du fonctionnement du conseil d'administration dans les EF. Pour atteindre nos objectifs, nous avons choisi de nous plonger dans les particularités des individus qui composaient le conseil d'administration afin d'explorer qui ils sont et de comprendre son influence sur ce qu'ils font.

### **La valeur scientifique de la thèse par articles**

Nous avons essayé de raconter l'histoire de notre recherche, d'expliquer et de justifier nos choix et nos décisions. Dans quelle mesure les résultats de notre travail peuvent-ils contribuer au champ scientifique de l'EF ? Selon Drucker-Godardet al. (2014), il s'agit d'évaluer la recherche selon deux critères : la validité et la fiabilité. Bien que la généralisation de nos résultats ne soit pas l'objectif de l'étude, nous souhaitons mettre en évidence les situations où ils pourraient être étendus, car notre recherche contribue à expliquer et comprendre la composition du conseil d'administration dans l'EF. Ainsi, nos articles empiriques sont basés sur des stratégies de recherche qui garantissent la reproductibilité des résultats et non leur généralisation (Strauss and Corbin (Strauss and Corbin, 1990 ; Huberman and Miles, 1991). De plus, ils ont été soumis ou sont en cours de soumission à des revues scientifiques et ont été ou devront être évalués d'une façon anonyme par deux chercheurs.

Afin d'assurer la validité et la fiabilité de notre recherche, nous nous sommes appuyés sur la description de notre méthodologie et de notre analyse. Nous avons défini les concepts étudiés, les théories utilisées et l'accès au terrain afin de garantir la rigueur et l'authenticité de notre recherche.

### **Les contributions**

Cette thèse contribue à la discussion académique sur la gouvernance d'entreprise et les EF, un domaine qui nécessite des recherches.

Elle trouve des applications théoriques et managériales pour les Sciences de Gestion et en particulier pour les EF.

### **Contributions pratiques pour les sciences de gestion**

Nous pensons que notre recherche pourrait avoir des implications pratiques pour la nomination des administrateurs aux conseils d'administration des EF. Lors de ces nominations, nous pouvons identifier l'importance des caractéristiques démographiques et cognitives des administrateurs et leur contribution au fonctionnement du conseil et à la qualité du débat sur les questions de gouvernance.

En ce qui concerne le lien entre la diversité des administrateurs et la succession au sein de FF, notre contribution est double : tout d'abord, nous avons pu montrer que les expériences passées des administrateurs diversifiés dans les conseils d'administration des EF conduisent à fixer trois critères que le successeur devrait remplir: 1-Préserver les valeurs et assurer la continuité et la succession de l'EF, 2-avoir une expérience et une expertise professionnelle avant d'entrer dans de l'EF et 3- avoir une forte capacité à mobiliser, à faire évoluer l'EF et à diriger. Deuxièmement, notre recherche souligne que l'implication des femmes joue un rôle crucial dans le processus de succession.

En outre, il convient de noter d'autres contributions managériales liées au processus de succession. Nous soulignons la nécessité pour les prédécesseurs et successeurs familiaux d'avoir des conseillers de confiance pour les accompagner dans le processus de succession afin que leurs émotions ne constituent pas un obstacle à l'action.

### Contributions théoriques pour les sciences de gestion

En termes d'implications théoriques, nous avons suggéré une mesure en ce qui concerne la diversité de genre et son influence sur la SEW. Trois dimensions de l'échelle FIBER (Berrone et al., 2012) sont reconnues dans nos données : les liens sociaux (B) ; l'attachement émotionnel des membres de la famille (E) ; et le renouvellement des liens familiaux à l'entreprise par la succession dynastique (R). Ainsi, nous proposons l'existence d'une forme courte de l'échelle FIBER, que nous appelons l'échelle BER. Nous contribuons ainsi au développement de ce concept très important et puissant dans la recherche sur les EF.

De plus, nous pensons que notre travail propose un nouvel angle qui mérite d'être plus approfondi. Les émotions sont une force motrice et ont une véritable influence sur la cohésion et la motivation dans une EF, mais elles peuvent aussi la mettre en danger et générer des conflits. Notre recherche vise à apporter un nouvel éclairage sur la succession et sa préparation en examinant les émotions du prédécesseur lors du choix d'un successeur.

Enfin, nous contribuons à la discussion sur la pertinence des approches interdisciplinaires en mettant l'accent sur l'adéquation du domaine des neurosciences et en particulier du voyage mental dans le temps pour comprendre les décisions des administrateurs.

### **Limites et orientations futures**

Les résultats de notre recherche nous permettent d'identifier certaines limites émergeant de notre étude. La méthode de l'étude de cas entrave la généralisation des résultats. Cette faiblesse peut cependant être compensée par l'utilisation complémentaire de méthodes de recherche quantitatives. Nous n'avons pas trouvé d'administrateur de nationalité étrangère au sein des conseils d'administration des EF que nous avons étudiées. Les résultats de cette variable n'ont donc pas pu être analysés. Par conséquent, un échantillon plus large d'EF pourrait inclure des administrateurs de diverses nationalités, ce qui améliorerait l'étude de la diversité des administrateurs. Les EF de notre échantillon étaient des entreprises françaises et suisses. Les aspects culturels de ces pays pourraient limiter la transférabilité de nos résultats à d'autres pays et à des contextes culturels différents. Par conséquent, il sera pertinent pour les recherches futures de comparer les résultats avec d'autres pays. En conclusion, l'intelligence émotionnelle mérite d'être approfondie dans le conseil d'administration des EF.



**Mots-clés :**

Entreprises familiales, Conseil d'administration, Diversité, Comportement, Théorie des échelons supérieurs, Gouvernance, Succession, Expériences passées, Théorie du voyage mental dans le temps, Émotions, Objectifs, Richesse socio-émotionnelle.